NHS
The Shrewsbury and Telford Hospital
NHS Trust

Safest and Kindest

Annual Report and Annual Accounts 2016/17

Proud To Care
Make It Happen
We Value Respect
Together We Achieve

PATIENT & FAMILY
VISION
MISSION
LEADERSHIP
OUR PEOPLE
OUR VALUES

LEADERSHIP ACADEMY

TRANSFORMING CARE INSTITUTE

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About this document

This document fulfils the Annual Reporting requirements for NHS Trusts. It is presented in accordance with the Department of Health Group Manual for Accounts 2016/17.

We publish a shorter Annual Review as a companion document for patients, communities and partner organisations.

Further copies of this document and our Annual Review are available from our website at www.sath.nhs.uk or by email to communications@sath.nhs.uk or by writing to:

Chief Executive's Office,
The Shrewsbury and Telford Hospital NHS Trust,
Princess Royal Hospital, Grainger Drive, Apley Castle, Telford TF1 6TF

Chief Executive's Office,
The Shrewsbury and Telford Hospital NHS Trust,
Royal Shrewsbury Hospital, Mytton Oak Road, Shrewsbury, SY3 8XQ

This document is also available on request in other formats, including large print and translation into other languages for people in Shropshire, Telford & Wrekin and mid Wales. Please contact us at the address above or by email at communications@sath.nhs.uk to request other formats.

Please contact us if you have suggestions for improving our Annual Report.

Part I. Performance Report

The first section of the Annual Report and Accounts provides an overview of our performance over the past 12 months. This is a brief summary of who we are, what we do and how we have performed against our objectives during the year. There is a more detailed analysis of our performance later in the report.

I.1 Welcome from the Chair

In recent years, The Shrewsbury and Telford Hospital NHS Trust's (SaTH) first responsibility has been simple: to bring itself up to an acceptable standard as an acute hospital Trust, giving a good level of care to the patients that it serves. For a number of years, the organisation had not been doing well despite the very good work of the people within it. The improvement journey has been challenging. Good and sustained progress is now being made. This report demonstrates what that means.

We knew the journey would be a long one, and there is still much more to do. We want better than an acceptable standard. We want SaTH to be exemplary; the safest and kindest in the country. The past year has seen the team tackling the big issues that have been undermining hospital safety and kindness for years: stretched services resulting in long waiting times, poor service configuration resulting in fragility (e.g. emergency services, midwifery services) and an insufficiently open and transparent culture. Facing up to and addressing these challenges has been painful. The Trust's team have shown real and sustained courage in taking on this task. It would be easier to continue to patch over the cracks than to be transparent about the issues and make the changes that need to happen. But the team, the almost 6,000 people that make the hospitals function - our neighbours, our sisters, our uncles, our friends - have demonstrated over and again their commitment to patients. This has often been despite, rather than because of, the organisational context. The work is now on to make the organisation deliver the same patient priority.

Nationally, there has been increased media scrutiny of the NHS. The same pattern has played out locally, though in our area we are lucky to have media organisations that make a real effort to tell the whole story whilst holding SaTH to account. This is right, and to be expected, when the organisation is getting in amongst these major issues. I expect to see more of this as the team continue to work their way through the long-standing blocks that have held the acute service back.

This hospital trust is one part of a collection of organisations within the local NHS family that make up the health service for the population of Telford & Wrekin, Shropshire and mid Wales. In my view those organisations should collectively have one, over-riding, purpose: to help the people who live here to be the healthiest they can be. And, given that we live in this blessed part of the world and in one of the wealthiest economies in the world, being the healthiest we can be surely means being at least as healthy, overall, as anywhere else. Only if we set our sights on this ambition will we do what should be done. So, while SaTH progresses to an acceptable, then to exemplary standard, it must also contribute to this overarching "healthiest half million" ambition. We have seen SaTH's team increasingly working with partner organisations to break down artificial barriers to patient service - at operational and strategic levels. More of this is to be expected.

They say that charity begins at home. One of the next steps on our healthiest half million journey will be to find ways of improving staff well-being. Who better to be ambassadors for health than the one in a hundred of our local population that works in the hospitals? All of us who live in the area expect a lot of SaTH staff, especially over winter, and when difficult issues are raised in the media. Our staff are a resilient bunch but we need to look after them in return.

I want to thank all of the SaTH team. This includes staff of all varieties and partner organisation staff, as well as a wide range of volunteers, the two Friends charities, and the Lingen Davies Cancer Fund. It also includes patients, many of whom go out of their way to give feedback (positive and critical) to help our journey. The team has worked extremely hard to manage continuous improvements in services, whilst coping with ever higher levels of demand, and whilst taking on the bigger transformation challenge.

I would like to express my gratitude to Sarah Bloomfield, Director of Nursing and Quality, who left us this year and who contributed so much to the journey we have been on; also to Simon Walford, Robin Hooper and Donna Leeding for their extraordinary service to SaTH as Non-Executive Directors. I'd also like to welcome Paul Cronin, David Lee, Chris Weiner and Terry Mingay to the board as Non-Executives; and Colin Ovington, who served as interim Director of Nursing and Quality, and Deirdre Fowler who joins us in May 2017 as the permanent Director of Nursing, Midwifery and Quality. Strong and effective people joining a good team: the journey will continue apace.

Peter Latchford, Chair

I.1a Chief Executive's Overview: Reflecting on 2016/17

We achieved so much during the past 12 months as we began our journey to provide the safest and kindest care in the NHS. The year was my first full one as Chief Executive at the Trust and saw us launch our Organisational Strategy.

Launching the Organisational Strategy

The document set out how we will build on our achievements to deliver a transformation in our own organisation. At the very peak of our Organisational Strategy are the patients and their families. We have half-a-million opportunities every year to make a difference and our Vision is to provide each and every patient, and the two million family members who walk through our doors with them, the safest and kindest care in the NHS.

Our partnership with the Virginia Mason Institute in Seattle, which was launched in 2015 with the aim of turning our organisation into the safest in the NHS, took huge strides forward as we launched our Transforming Care Institute (TCI). All of our innovation and change work is now housed in the TCI, which is the base for the team leading the roll out of our Value Streams, lean technologies, Rapid Process Improvement Workshops and Report Outs. Since starting, we have trained over 1,300 staff and have over 320 active in co-production, with over 3,000 miles of staff walking saved to spend with patients. Our Lean for Leaders programme has 35 graduates this year with the next 60 coming on board in 2017.

At our first annual VIP (Values In Practice) Awards in September. The awards will be held again in September 2017. We have also launched a monthly VIP Award. For full details and to nominate staff visit our website at vipawards.org.uk

It is of huge importance that we celebrate the fantastic work that takes place across our Trust every day by staff, volunteers and charities and we did this through our first VIP (Values In Practice) awards with over 250 of our people. The event saw nine awards presented to staff and volunteers for their achievements during the year, whilst 100 staff received long service awards. It was a fabulous night and will become an annual event. We're also celebrating staff with a monthly VIP Award, which is just a small way of saying thank you and an opportunity to celebrate our amazing staff.

We also hosted our first Family Fun Day which was attended by lots of our staff and patients and saw us launch an appeal to benefit patients living with dementia. Our second fun day is already being planned for 2017.

All of this has happened against the backdrop of one of the busiest winters I can recall the NHS experiencing: increasing demand and complexity, systemic changes with the arrival of the Sustainability and Transformation Plan (STP) and hospital service design through sustainable services clinical workshops. Against this backdrop we achieved the CHKS Top 40 Hospitals award for the fourth year in a row, a 9% reduction in mortality rates, commendations for our apprenticeship programme and our Leadership Conference, and we launched our own Leadership Academy.

The Care Quality Commission (CQC) visited in December and as I write this we are awaiting their formal report. You will have also seen or heard a lot about our Maternity Services during the year. In April 2016 an independent maternity review was published focusing on the death of a baby in 2009 (the family have asked that we don't use the baby's name, so we have respected their wish).

This was commissioned by the Trust after the Chair and CEO met with the baby's parents. It focused on the care and treatment provided to the baby and her mother as well as the subsequent handling of concerns and the governance around the management of the incident itself. In February 2017 the Secretary of State requested an independent review into the robustness and effectiveness of investigations the Trust carried out into the deaths of a number of babies.

At the time of writing, the findings of the review are not known. I want to assure you that we are learning from these incidents. We are committed to being candid and open about any incident. We have also commissioned a number of independent external reviews, including one by the Royal College of Obstetricians and Gynaecologists which will take place in June/July 2017 to help us make sure our services are safe and that we have implemented any learning from these very sad deaths.

We have made great progress to improve our culture and our staff feel more able to report problems when they see them so that we can make improvements.

In terms of our clinical outcomes over the past 12 months, we have performed well in key areas such as hitting all of our cancer waiting time targets and reducing the number of infections such as Clostridium difficile (C.diff). However, it has been a challenging year and our patients have experienced growing waits for treatment. We regret this and have proposed to our communities ways we can fix this situation. This will require a lot of investment into the county and a great deal of change and reconfiguration of our services.

Community leaders and stakeholders are continuing to consider these proposals, but while they think and reflect the pressures on our hospitals, staff and patients grow.

The fragility of A&E and some of our other services came to the fore during the year but these issues are not new and, in fact, have been causing concern for the best part of a decade in some cases. The need to resolve the challenges these services face are the driving force behind our plans to reconfigure hospital services and to work more closely with our GPs.

This is particularly important in End of Life care where we have ensured over 1,700 staff are trained, opened Swan Rooms to support the families with a quiet space to grieve and our second conference with Roy Lilley joining the Trust alongside over 250 people to help embed learning.

We are taking decisive action, together with our partners, to remove risks and to introduce permanent and sustainable solutions to keep services here for future generations. We have set out a clear future that will bring state-of-the-art services into our county, protect those already here and encourage health professionals to want to come here to work and live.

Simon Wright, Chief Executive

I.1b About the Trust

The Shrewsbury and Telford Hospital NHS Trust is the main provider of district general hospital services for nearly half a million people in Shropshire, Telford & Wrekin and mid Wales.

Our main service locations are the Princess Royal Hospital (PRH, below) in Telford and the Royal Shrewsbury Hospital (RSH, bottom) in Shrewsbury, which together provide 99% of our activity.

Both hospitals provide a wide range of acute hospital services including accident & emergency, outpatients, diagnostics, inpatient medical care and critical care.

During 2012/13 PRH became our main specialist centre for inpatient head and neck surgery with the establishment of a new Head and Neck ward and enhanced outpatient facilities. During 2013/14 it became our main centre for inpatient women and children's services following the opening of the Shropshire Women and Children's Centre in September 2014.

During 2012/13, RSH became our main specialist centre for acute surgery with a new Surgical Assessment Unit, Surgical Short Stay Unit and Ambulatory Care facilities.

Together the hospitals have just over 700 beds and assessment & treatment trolleys.

Alongside our services at PRH and RSH we also provide community and outreach services such as:

- Consultant-led outreach clinics (including the Wrekin Community Clinic at Euston House in Telford);
- Midwife-led units at Ludlow, Bridgnorth and Oswestry;
- Renal dialysis outreach services at Ludlow Hospital;
- Community services including midwifery, audiology and therapies.

Our People

We employ almost 6,000 staff, and hundreds of staff and students from other organisations also work in our hospitals. In 2016/17 our actual staff employed (headcount) increased by 129 to 5,903. When taking into account those employed on part-time contracts, the full time equivalent (fte) number increased by 105 to 5,026. Our substantive workforce at 31 March 2017 included approximately:

- 567 fte doctors and dentists (11%), an increase of 16 fte compared with 2016;
- 1,418 fte nursing and midwifery staff (28%), a decrease of 12 fte;
- 641 fte scientific, technical and therapies staff (13%), a decrease of 1 fte;
- 1,387 fte other clinical staff (28%), an increase of 50 fte;
- 1,013 fte non-clinical staff (20%), an increase of 52 fte.

In addition to this, the available workforce at year end included 1,027 staff employed through the Trust's internal bank, in addition to staff working within the Trust via external agencies.

Expenditure on staff accounts for approximately 67% of expenditure, a slight increase on the previous year.

There are currently approximately 1,000 volunteers active in the Trust and during the year we worked closely with our main charitable partners (including Leagues of Friends at our two hospitals, and the Lingen Davies Cancer Fund).

Our Finances and Activity

With a turnover in the region of £350.2 million in 2016/17 we saw:

- 64,153 elective and daycase spells;
- 55,198 non-elective inpatient spells;
- 6,497 maternity admissions;
- 411,657 consultant-led outpatient appointments; and
- 119,906 accident and emergency attendances.

More details about our activity is provided on page 8 and further information about our financial performance is included in Section I.2d.

Our Organisational Strategy

Further information about our Strategy is available in Section I.1c of this report.

Our Board and Leadership

Strategy and oversight is provided by our Trust Board, with a majority of Non-Executive members, including a Non-Executive Chairman, appointed from local communities and networks by NHS Improvement on behalf of the Secretary of State. Executive members with voting rights at the Trust Board are the Chief Executive, Director of Nursing and Quality, Medical Director, Chief Operating Officer and Finance Director. More information about our board membership is available in Section II.1 of this report.

Our Values

Underpinning our strategy is our framework of Values, developed with staff and patients during 2013/14 and which have become embedded since:

Proud To Care
Make It Happen
We Value Respect
Together We Achieve

Our statutory basis

We are legally established under the National Health Service Act 2006 as a National Health Service Trust and were established in our current form as The Shrewsbury and Telford Hospital NHS Trust in 2003 following the merger of The Princess Royal Hospital NHS Trust and the Royal Shrewsbury Hospitals NHS Trust. Find out more at **www.sath.nhs.uk**

The Trust as a going concern

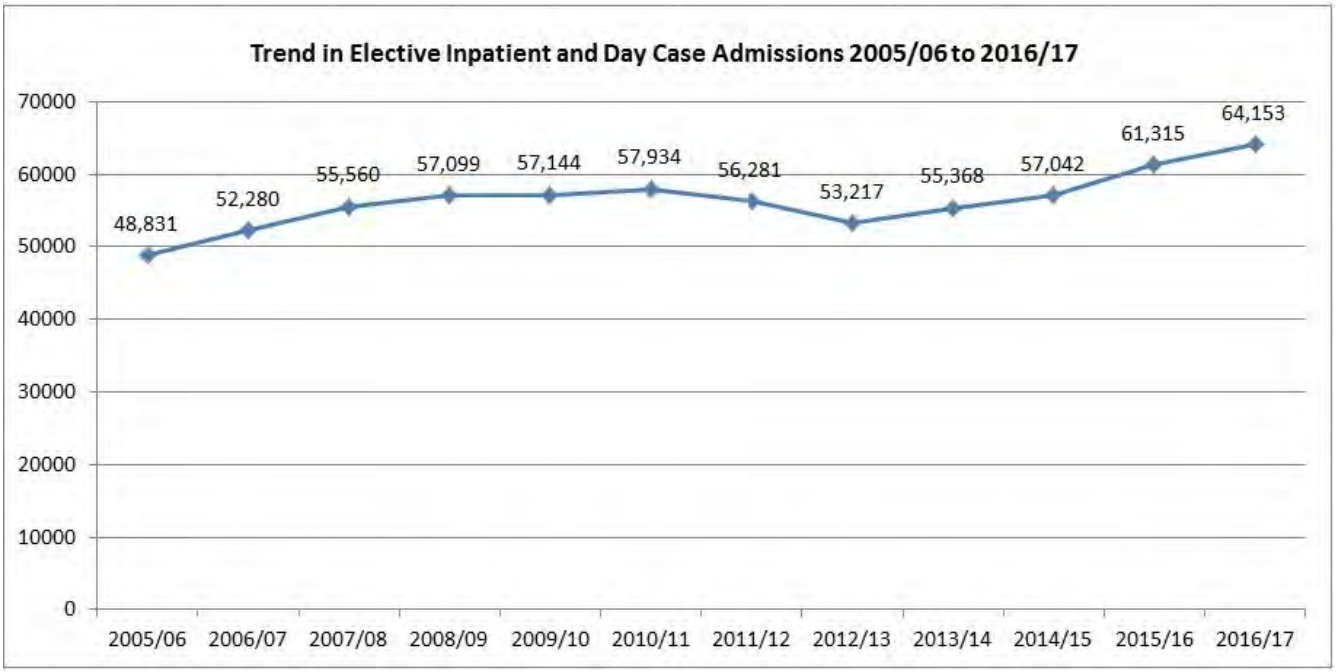
The Board of Directors has concluded that the Trust is able to demonstrate that it is a going concern on the following basis:

- The Department of Health and NHS Improvement will confirm to the Trust arrangements for accessing cash financing for organisations that have submitted a deficit plan for 2017/18. The NHS Improvement Accountability Framework sets out the process where an NHS Trust will be assisted to develop and agreement of a formal recovery plan to address deficit positions.
- Robust arrangements are in place for the delivery of cost improvement plans through Executive Director meetings.

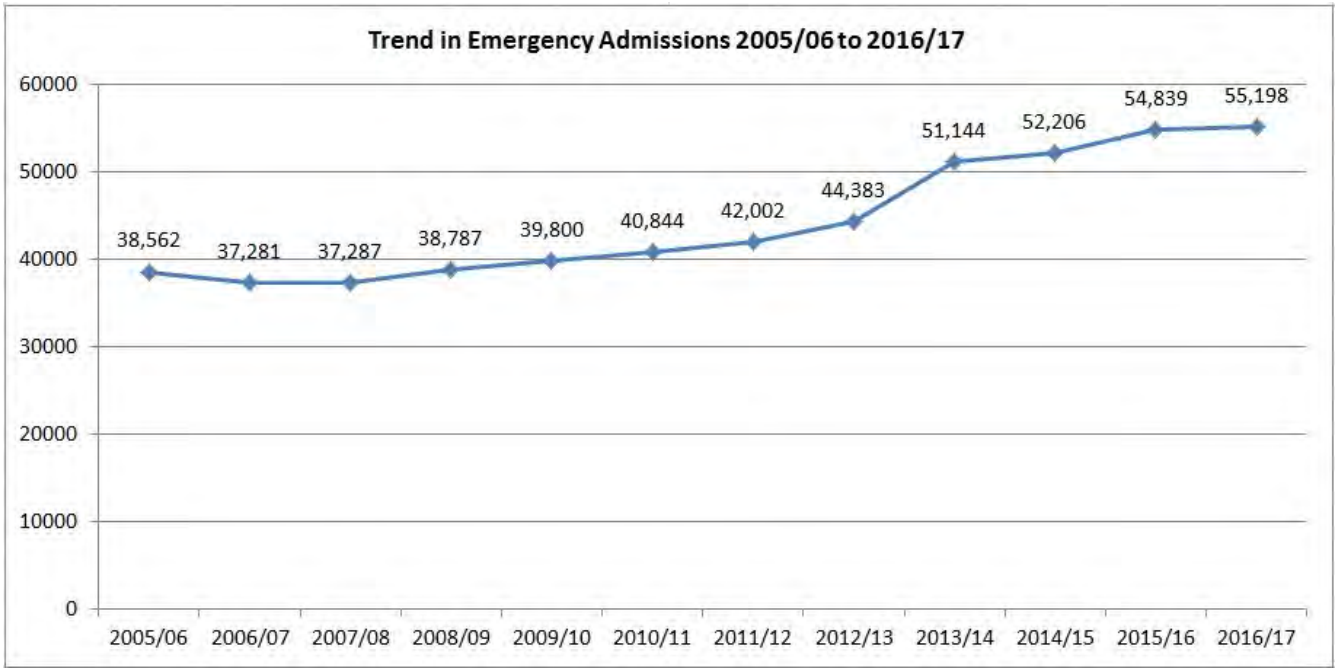
Summary of Service Activity by specialty in the year ended 31 March 2017

		Inpatient/Daycase			Outpatient		
Centre	**Speciality**	**2014/15**	**2015/16**	**2016/17**	**2014/15**	**2015/16**	**2016/17**
Diagnostics	***Chemical Pathology***	-	-	1	587	615	646
	A&E Outpatient & Spells	1,089	1,000	951	3,486	3,856	3,629
Head & Neck	***Audiological Medicine***	-	2	1	1,706	1,390	666
	ENT – Adult	2,888	2,613	2,398	21,347	22,627	22,040
	ENT - Child	-	-	-	34	-	-
	Maxillofacial Surgery	852	542	613	732	333	94
	Oral Surgery	1,144	1,135	690	11,783	11,233	10,472
	Orthodontics	-	-	-	7,116	6,583	7,451
	Ophthalmology – Adult	3,554	3,396	2,973	41,343	46,129	48,496
	Ophthalmology – Child	54	130	41	6,488	8,073	7,962
	Ophthalmology - Medical	3	4	-	1	4	1
	Restorative Dentistry	-	-	-	595	663	583
Medicine	***Cardiology***	2,572	2,695	2,884	23,198	23,083	22,299
	Cardiothoracic Surgery	-	1	-	1,159	1,330	1,236
	Dermatology - Adult	3	7	16	16,733	17,215	16,645
	Dermatology – Child	1	1	4	208	258	253
	Diabetic Medicine	17	3	6	5,211	6,281	6,805
	Endocrinology	131	270	121	2,276	2,540	2,885
	General Medicine inc Stroke	22,965	22,961	23,145	8,605	6,769	4,626
	Geriatric Medicine	127	150	156	3,443	3,590	5,075
	Nephrology	177	422	296	5,181	5,871	6,902
	Neurology	361	281	332	8,067	8,310	8,464
	Rehabilitation	42	40	71	-	-	-
	Respiratory Medicine	790	1,960	2,936	9,434	10,848	11,565
	Respiratory Physiology	-	-	1	179	192	203
Musculoskeletal	***Pain Management***	731	543	620	1,781	1,045	1,027
	Rheumatology	-	-	-	101	15	4
	Trauma and Orthopaedics	6,549	6,222	6,079	53,028	53,550	50,007
Surgery, Oncology & Haematology	***Breast Surgery***	903	931	698	15,041	17,219	15,805
	Colorectal Surgery	793	1,016	923	7,835	11,412	12,538
	Gastroenterology	16,126	17,978	19,096	8,211	8,942	10,447
	General Surgery	6,664	6,579	7,988	1,583	926	929
	Hepatology/Hepatobiliary	7	12	7	1,371	2,923	2,311
	Neurosurgery	1,777	-	-	180	196	144
	Plastic Surgery	1	-	-	14	3	2
	Upper GI Surgery	3	1,136	1,170	4,386	6,288	6,469
	Urology	4,912	5,293	6,022	16,029	19,482	19,353
	Vascular Surgery	835	1,971	928	5,613	6,904	6,306
	Clinical Haematology	6,081	6,658	7,726	9,968	12,293	13,648
	Clinical Oncology	9,916	11,299	11,611	14,907	17,355	18,936
	Medical Oncology	558	663	703	1,451	995	688
Anaesthetics	***Anaesthetics***	1	1	1	222	459	559
Women and Children	***Gynaecology***	3,920	4,154	4,363	18,837	19,956	20,121
	Gynae Oncology	4	4	8	5,845	6,188	6,505
	Obstetrics / Maternity	6,185	5,660	6,621	823	10,800	12,988
	Neonatology	486	3,064	4,594	232	825	958
	Paediatrics	12,242	9,308	9,054	14,213	21,460	22,133
	Psychotherapy	-	-	-	112	79	40
Total		**115,505**	**120,105**	**125,848**	**360,706**	**407,108**	**410,916**

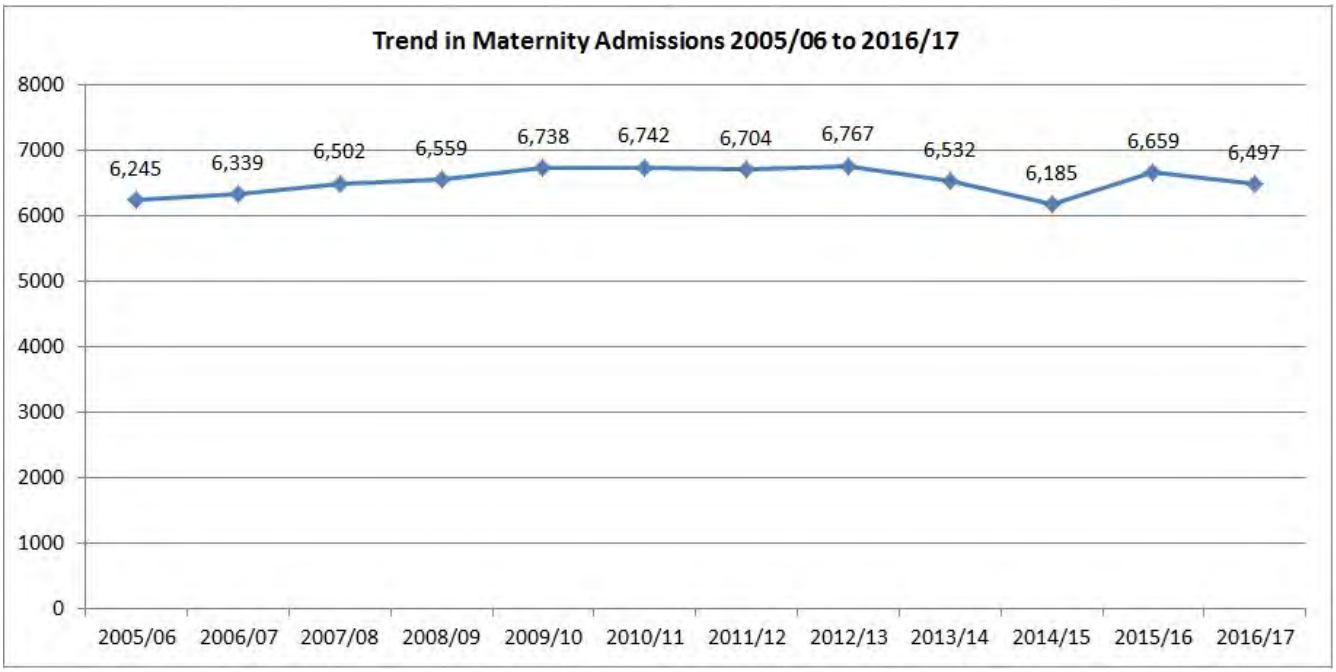
The following graphs show trends in activity from 2005/06-2016/17:



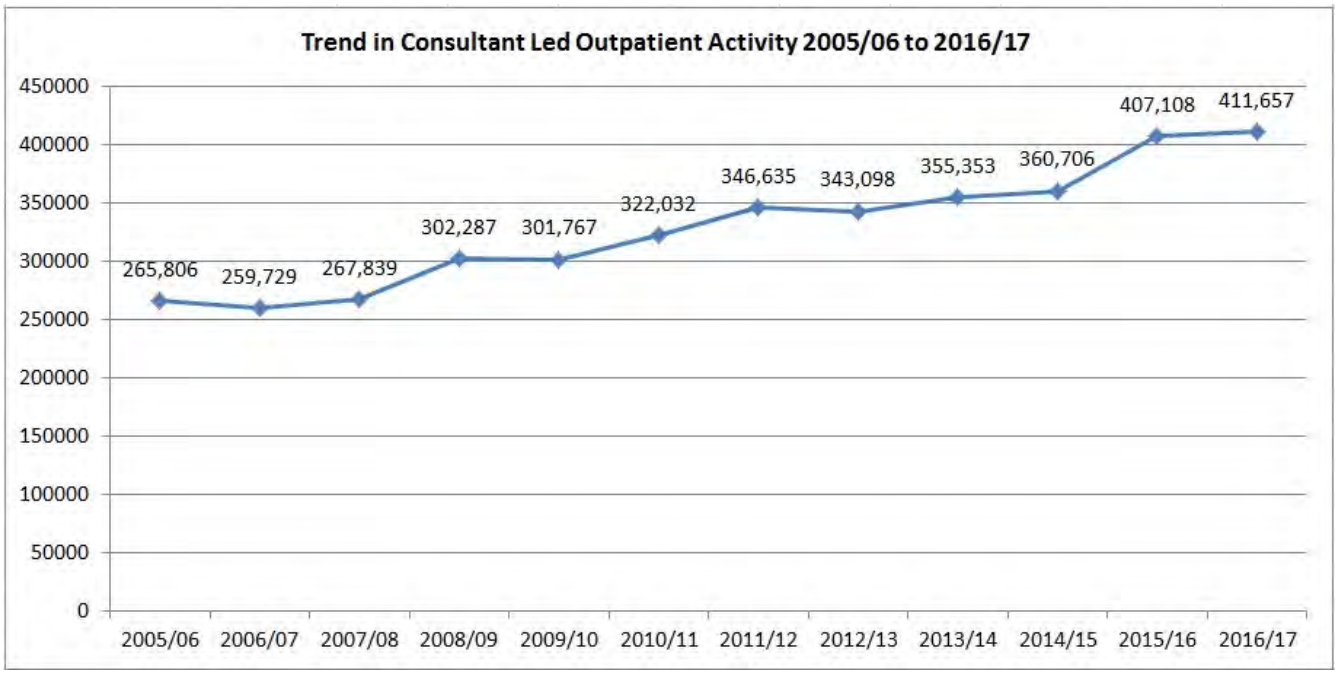
Above: Elective and Day Case activity showed a 4.62% increase this year, compared with a 7.49% increase in the previous year.



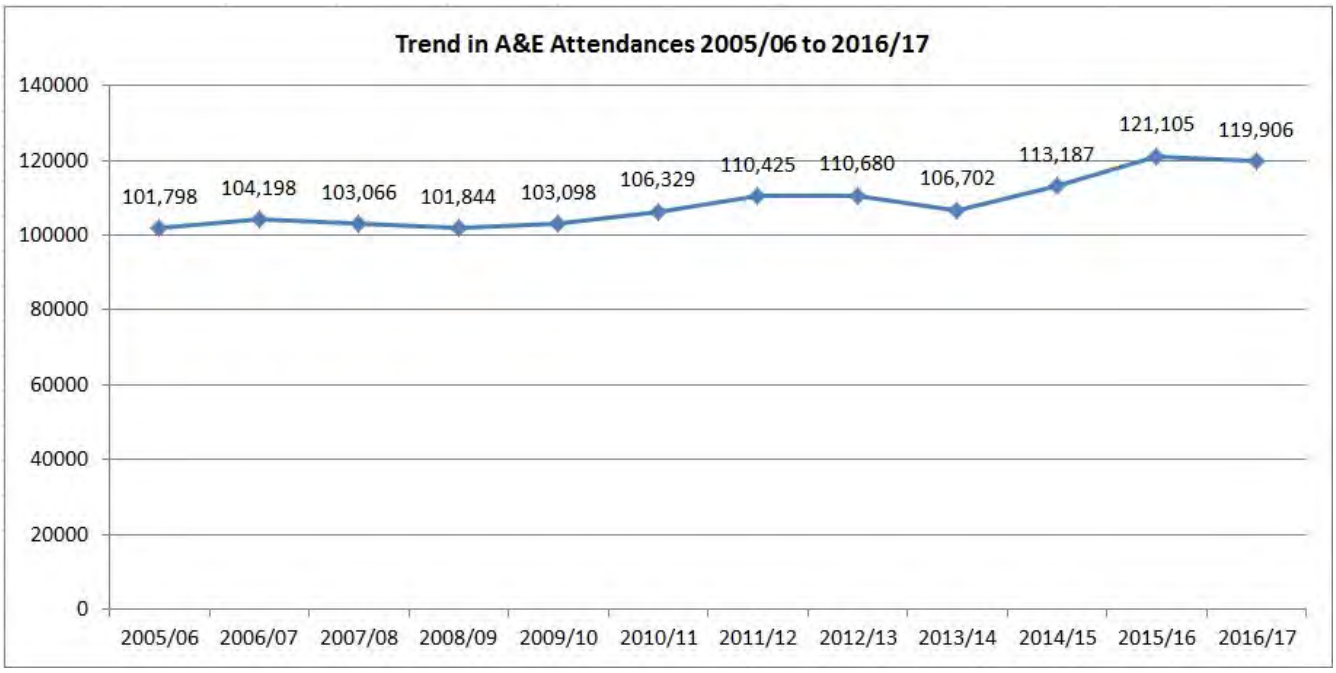
Above: There has been a consistent rise in emergency admissions from 38,562 in 2005/06 to 55,198 in 2016/17. They have increased by 0.65% from 2015/16 to 2016/17.



Above: Maternity episodes have decreased by 2.43% over 2016/17. This followed an increase of 7.66% over 2015/16.



Above: Apart from a small dip in 2012/13, there has been a general upward trend in consultant-led outpatient activity since 2006/07, including a 1.11% year-on-year increase from 2015/16 to 2016/17.



Above: After a reduction in 2013/14 (reflecting changes in admissions pathway during 2013/14 with GP referrals admitted directly to admissions units rather than via the Accident and Emergency Department), A&E attendances increased over 2014/15 and 2015/16 to their highest ever levels. However, between 2015/16 and 2016/17 the attendance numbers fell by 0.99%. Please note the figures include the Urgent Care Centre (UCC) and Walk-In Centre (WIC) activity at our hospital sites.

I.1c A Forward Look: Strategic context

Across England, the NHS is facing ever increasing demand for its services. Within the context of growing financial pressures and a workforce that is either unavailable or overstretched, this means that organisations, and the health systems they form, are coming together to address their shared and inter-dependent issues. The national programme of Sustainability and Transformation Planning (STP) is now well under way and is vital to the long-term delivery of safe, high quality and sustainable patient care.

NHS services in the county of Shropshire face these very same challenges; and for the Trust most of this is not new. The additional and long-term difficulties from the duplicate delivery of many services means that care and treatment continues to be provided by a workforce that is performing against unsustainable rotas within environments that are equally challenged in terms of the facilities and space needed to deliver modern healthcare.

Even so, the Trust remains steadfast in its commitment to the safe delivery of care for patients and their families and ensuring that this care is the safest and kindest in the NHS. In order for the Trust to progress with achievable and sustainable change that delivers real improvements for patients and the public, the three integrated formal programmes of work described in last year's Operational Plan remain in place for 2017/18.

The co-ordinating mechanisms for addressing the challenges in quality, workforce, performance and finance within the organisation and across the whole health system are:

- Transforming Care Institute – the Trust's partnership with the Virginia Mason Institute (VMI)
- Sustainability and Transformation Plan (STP) – the health system's overarching strategic plan
- Sustainable Services Programme – the Trust's plan for the delivery of a single emergency site and a single planned care site

These three overarching programmes will drive and steer the changes required to deliver consistent high quality and appropriate care to patients and their families.

For 2017/18 the Trust will continue to strive to 'get the basics right'. This means patients receiving the very best and timely care possible within the financial and workforce resources available. This will mean a rebalance of the bed base between Scheduled and Unscheduled Care; out of hospital service development so that patients no longer needing acute hospital care are supported at home or in a more appropriate setting; and the protection of scheduled care capacity so that patients' operations are not cancelled because a bed is not available. It also means looking closely at the activities and services the Trust delivers and matching these to the capacity of the workforce. The work started in 2016/17 to further understand 'what business are we in' will carry on this coming year. At the same time, staff at all levels will carry on developing ideas that can also make a huge difference to patients and their families.

As well as managing the 'here and now' and the shorter-term, plans and strategies for long-term sustainability will move further forward. Building on the involvement and engagement activities from last year, clinicians within the Trust await the opportunity to more formally share their clinical model within the Sustainable Services Programme and actively listen to what people think and feel about the proposals during the Commissioner-led public consultation during 2017. The work on the Outline Business Case will be finalised this year as work shifts to the delivery of the final Full Business Case, following the outcome of public consultation.

Whilst the above work takes place, frontline staff will continue work on understanding their service issues with the support and expertise of the Transforming Care Institute. By methodically applying the VMI tools of removing waste and non-value-added activities and by standardising processes and systems, the care and service patients receive will continually improve. This will continue to be achieved in small incremental steps that can be sustained over days, months and years. 2017/18 will therefore see the further coming together of large scale, longer-term change proposals with improvements and developments that make an immediate difference today. For the Trust to be the safest and kindest in the NHS, both strategies will need to progress side-by-side.

I.1d Key Performance Indicators (KPIs)

Domain	Indicator	Description	Data Source	Thresholds	Performance in Year Ended 31 March 2017
Access (including A&E and 18 weeks Referral to Treatment [RTT])	Four-hour maximum wait in A&E from arrival to admission, transfer or discharge	The number of patients spending four hours or less in all types of A&E department / The total number of patients attending all types of A&E department	Weekly SitReps	Performing: 95% Underperforming: 94%	80.7%
	12 hour trolley waits	The number of patients waiting in A&E departments for longer than 12 hours after a decision to admit	Weekly SitReps	Performing: 0 Underperforming: >0	17
	1 hour ambulance handovers	Ambulance handovers not completed within 60 minutes	Weekly SitReps	Performing: 0 Underperforming: >0	1575
	30 minute ambulance handovers	Ambulance handovers not completed within 30 minutes	Weekly SitReps	Performing: 0 Underperforming: >0	8045
	RTT – admitted -90% in 18 weeks	Total number of completed admitted pathways where the patient waited 18 weeks or less vs. Total number of completed admitted pathways in quarter	Monthly RTT returns via UNIFY	Performing: 90% Underperforming: 85%	63.37%
	RTT – non-admitted – 95% in 18 weeks	Total number of completed non-admitted pathways where the patient waited 18 weeks or less vs. Total number of completed admitted pathways in quarter		Performing: 95% Underperforming: 90%	91.32%
	RTT - incomplete pathways	Total number of patients on incomplete pathways less than 18 weeks vs. total number on incomplete pathways		Performing: 92%	92.58%
	RTT – greater than 52 weeks	Total number of patients waiting longer than 52 weeks from referral to treatment		Performing: 0	1
	% of patients waiting over 6 weeks for a diagnostic test	To measure waits and monitor activity for 15 key diagnostic tests		Performing: <=1%	1.68%
	28 day readmission	Number of patients not treated within 28 days of last minute elective cancellation	Quarterly return via UNIFY	Performing: 0	4
	Multiple cancellations of urgent operations	Number of last minute elective operations cancelled for non-clinical reasons	Monthly return via UNIFY	Performing: 0	561
Cancer Waiting Times	2 week GP referral to 1st Outpatient	Please see cancer waiting times guidance for definition of these performance standards	Cancer Waiting Times Database	Performing: 93% Underperforming: 88%	94.3%
	2 week GP referral to 1st outpatient – breast symptoms			Performing: 93% Underperforming: 88%	94.7%
	31 day diagnosis to treatment for all cancers			Performing: 96% Underperforming: 91%	99.2%
	31 day second or subsequent treatment – drug			Performing: 98% Underperforming: 93%	99.9%
	31 day second or subsequent treatment – surgery			Performing: 94% Underperforming: 89%	96.9%
	31 day second or subsequent treatment – radiotherapy			Performing: 94% Underperforming: 89%	98.9%
	62 days urgent GP referral to treatment of all cancers			Performing: 85% Underperforming: 80%	86.0%
	62 day referral to treatment from screening			Performing: 90% Underperforming: 85%	95.1%
	62 day referral to treatment from hospital specialist			Performing: 85% Underperforming: 80%	90.4%
Infection Prevention and Control	MRSA	Actual number of MRSA vs. planned trajectory for MRSA	HPA Returns	Performing: No MRSA bacteraemias	1
	C.Diff	Actual number of C.Diff vs. planned trajectory for C.Diff		No more than 25 C.diff	18
Quality of Care	VTE Risk Assessment	Number of adult inpatient admissions reported as having a VTE risk assessment on admission	UNIFY Mandatory returns	Performing: 95% Underperforming: 90%	Trust performance for the whole year is 95.6%. This is the first year that SaTH has exceeded the 95% target for the whole year.
	Duty of Candour	Number of breaches of duty of candour	Datix	Performing: 0	0
	Breaches of same sex accommodation	The number of breaches	Collection via UNIFY	Performing: 0	8
Workforce	Sickness absence	Number of days sickness absence vs. available workforce	SaTH Returns	Performing: 3.99%	4.04%
	Appraisal	Number of eligible staff receiving appraisal in current performing vs. total eligible staff		Performing: 80% (Stretch target 100%)	86.17%
	Statutory and Mandatory Training	Number of spells or attendance with valid number/Total number		Performing 80%	76.72%

I.2 Performance Analysis

I.2a Interim Director of Nursing and Quality's Report

The Director of Nursing and Quality has Board level responsibility for patient safety, the quality of care we deliver and the overall patient experience in our hospitals. The role also includes Board-level leadership and support for the nursing, midwifery and allied healthcare professionals workforce across the Trust.

Efforts to reduce our reliance on agency staff were high on the agenda over the past 12 months and our proactive drive on recruitment continues. This year, the nursing and midwifery professional workforce has been my focus and, therefore, I was delighted to be invited to pilot the new national role of the Nurse Associate in partnership with Wolverhampton University; this role will expand our Nursing workforce with a new level of Registered Nurse. Eight Trainee Nurse Associates began their two year course with us in 2016 and we will recruit again for the next cohort in 2017. We will continue to recruit and train Nurses, Midwives and Healthcare professionals alongside our healthcare support staff to ensure we maintain a stable workforce and encourage staff from outside the county to join us.

Substantive Director starts in May 2017

Colin joined the Trust as interim Director of Nursing and Quality in March 2017, replacing Sarah Bloomfield . Deirdre Fowler joins the Trust in May 2017 as substantive Director of Nursing, Midwifery and Quality. Colin, will remain with SaTH until August 2017 reporting into the Chief Executive to support the Trust's quality improvement programme and Transforming Care work.

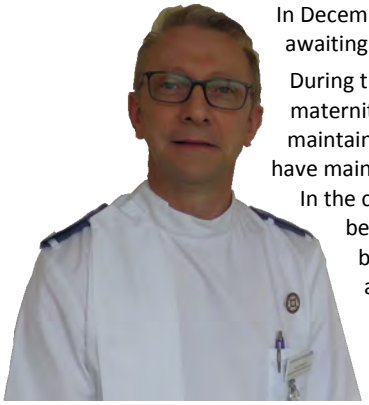
The past 12 months has seen a number of areas of improvement which are bringing benefits to our patients. In September we launched the 'Exemplar Programme'. This is a Ward Accreditation Framework for all ward/units. The initiative does not work in isolation but seeks to work in synergy with all teams to deliver a vision for our patients, staff and service users across our Trust.

Trust, confidence and kindness are three of the most important words patients and carers will use about the staff who care for them. Our patients quite rightly expect kind, compassionate care, high standards of clinical expertise, in a clean, safe environment. The quality of care received by our patients must be of the highest importance to us. Being treated with kindness, with respect, dignity, and being listened to, are the themes that have fallen short nationally in care environments of late, and have not met expectations of patients and carers. The Exemplar Programme will ensure all care areas are providing patients with the highest quality of care and to ensure care is delivered consistently across our Trust. This programme has been put in place to measure our high quality service. We are looking forward to our first Exemplar Awards.

The Trust continues to perform well in Infection Prevention and Control; managing flu, MRSA and Clostridium difficile. We continue to see a reduction in the number of patient falls in hospital that resulted in serious harm to patients and we are pleased that we have reduced the number of pressure ulcers that have occurred in our care although we recognise that we need to continue to work hard to ensure that this improvement continues.

We continued to have very positive results during the year in the NHS Friends and Family Test, with scores on or above the national average. Our most recent results showed 97.7% of Inpatients, and 95.8% of A&E users saying they would recommend our hospitals. There were also very good results for our Maternity Services with 100% of respondents saying that they would recommend the unit where they had their babies.

The Trust is committed to participating in, and acting upon, the results of the National Cancer Patient Experience survey. The results of the 2015/2016 survey demonstrated that the actions taken to improve access to Clinical Nurse Specialists two years previously had made a positive impact. The Trust scored in keeping with the national average in all but four areas. In one of these areas as a Trust we were above the national average, however in three we fell below. Work has begun to address these areas of concern and also to improve in areas where we currently score well in order for us to excel further so that we are recognised above the national average when the survey is next conducted.



In December 2016 the Trust underwent an announced visit from the Care Quality Commission (CQC). We are awaiting the formal report.

During the year there has been continued heightened awareness in the communities we serve about our maternity services. On occasions we have had to suspend services at our Midwife-Led Units temporarily to maintain the safety on the Consultant-Led Unit at PRH by bringing staff from our Midwife-Led Units. We have maintained our efforts to ensure that we have midwives in all our centres, and will continue to do this.

In the coming year we have an additional review of maternity commissioned by NHS Improvement on behalf of the Secretary of State for Health. This review will look back at incidents and baby deaths back to 2000 with the aim of ensuring that all the learning possible has been made. As a final level of assurance we have also commissioned the Royal College of Obstetrics and Gynaecology jointly with the Royal College of Midwives to review the services to ensure that there are no gaps in the quality or safety of care offered.

Colin Ovington, Interim Director of Nursing and Quality

Progress Against Operational Objectives 2016/17

I was the lead director for the following operational objectives during the year:

2016/17 Strategic Priorities	2016/17 Operational Objectives	Annual Review of Progress
Quality and Safety Reduce harm, deliver best clinical outcomes and improve patient experience	Improving patient experience and increasing patient involvement, building upon results and recommendations identified through the CQC assessments and surveys	• The Patient Experience Strategy was signed off in 2016/17 • The CQC visited the Trust in December 2016. Delivery of the actions arising from their feedback and recommendations commenced in 2016/17 and will continue into 2017/18 • The CQC action plan is monitored and reviewed utilising the Trust's Dashboard (a visual tool to monitor performance) and is reviewed at both Care Group and Trust-wide level • The formal CQC report will be received in due course • Clinically-led improvements for patients with dementia and at the end of life were progressed during the year. Dementia-friendly spaces and a dedicated café have been very successful. The end of life Swan Scheme has also had a significant impact on patients, their families and staff and is now used across the Trust
	Further strengthening governance processes and embedding a culture of sharing to support learning from mistakes and adoption of best practice	• The importance of patient stories was again recognised in 2016/17 and at every opportunity they were shared through internal employee communication and at the start of Trust Board sessions • Ongoing learning from both internal and external reviews, including the outcome of the Maternity Review into the death of a baby born at Ludlow Midwife-Led Unit in 2009, was incorporated into changes in Trust procedures during 2016/17 • The Trust actively promoted a fresh approach to 'Speaking in Confidence' with the appointment of two Values Guardians to help drive the Trust to make it a safer place
	Achieving key quality indicators and maintaining performance such as the elimination of grade 4 pressure ulcers	• Achieving the high standards set in the Trust's quality targets has been monitored and reviewed within the Trust's Dashboard • The Trust's challenging target for Clostridium difficile in 2016/17 was no more than 25 trust-appointed cases (post 72 hour). The Trust achieved target at 21 recorded cases and improved on 2015/16 cases by 9 (30 recorded)
	Implementing the Exemplar Ward Programme	• A plan to further develop the Exemplar Ward Programme in 2016/17 progress was initially achieved however further roll-out was paused until 2017/18 to enable clinical areas to focus on CQC recommendation delivery and areas of concern • The Exemplar Ward Programme was revisited in March 2017 and based on learnings from last year, the plan for 2017/18 has been developed with a strong communication campaign and a new internal wards system, 'Silver to Diamond' to monitor and reward areas and learn from areas of excellence
	Address workforce challenges within specific teams and service areas	• Shortages in the number of Registered Nurses in the Trust continued throughout 2016/17 with a significant reliance on agency nurses albeit less than in 2015/16. Specific action plans were developed to limit agency usage where possible and specifically within Tier 5 Agencies • Fragility within the medical workforce also continued throughout 2016/17. Reliance on locum and agency medical staff within a number of specialties (A&E, General Medicine, Dermatology etc) remained at higher levels than planned. Work to address this continued fragility will continue into 2017/18

Performance Against Key Targets 2016/17

The main Key Performance Indicators that I report to our Trust Board meetings in public during the year through our Summary Performance Report are:

Domain	Indicator	Description	Data Source	Thresholds	Performance in Year Ended 31 March 2017
Infection Prevention and Control	MRSA	Actual number of MRSA vs. planned trajectory for MRSA	HPA Returns	Performing: No MRSA bacteraemias	1
	C.Diff	Actual number of C.Diff vs. planned trajectory for C.Diff		No more than 25 C.Diff	18
Quality of Care	Duty of Candour	Number of breaches of duty of candour	Datix	Performing: 0	0
	Breaches of same sex accommodation	The number of breaches	Collection via UNIFY	Performing: 0	8

More detailed performance measures are included in the Quality and Safety section of our Integrated Performance report presented to each Trust Board meeting, with further review and assurance through the Quality and Safety Committee and Clinical Governance Executive. Further information about quality performance can be found in our Quality Account 2016/17 which is included at Appendix 1 to this Annual Report.

I.2b Medical Director's Report

My primary responsibility as Medical Director is to support the medical staff at SaTH to provide care for our patients to the highest achievable quality and safety. This involves clinical outcomes and mortality as markers of quality of care; appraisal and revalidation as the means of quality assurance; and quality improvement through research and innovation.

I am pleased to be able to report that over the last year we have seen many achievements in these areas.

In line with national developments we are implementing new ways of confirming the quality of care provided by our doctors by expanding the measurement of their clinical outcomes.

This allows doctors and the Trust to review their practice in comparison to other colleagues. This is similar, on an individual scale, to the Trust's work in mortality, where SaTH compares favourably with similar Trusts elsewhere around the country.

We have continued to see a sustained fall in mortality and improvements in our ability to learn from individual deaths so that we can learn from these how to prevent potentially avoidable factors from being repeated.

The doctors at SaTH recognise the importance of their responsibilities for assurance of their practice by the mechanisms of annual appraisal and five-yearly revalidation. SaTH's appraisal figure for doctors, at 97%, for this financial year, is amongst the best in the UK. In addition, all doctors who were due for revalidation in this year engaged in the system meaning that I did not have to submit any non-engagement recommendations.

Edwin presents a Sepsis Valentine's Card to Sister Sharon Hollister from Ward 17 at PRH to promote awareness of sepsis.

We continue to see many developments in improving quality of care through education, research and innovation. All senior doctors are invited to attend my now regular, twice-yearly, continuing education programme and many doctors contribute to SaTH's research programme.

These are particularly important as SaTH has a good reputation for teaching undergraduate medical students from Keele University and is in the top 100 NHS organisations for research, strengthening our case to become recognised as a University Hospital.

Further developments include the introduction of a ground-breaking smartphone app for the follow-up and monitoring of oncology patients and our recruitment of patients to the national 100,000 Genome project.

In addition, working with nursing and other colleagues we have achieved major improvements in the diagnosis and treatment of patients with Sepsis, through the work that we have done by implementing improvement methodology learned from the Virginia Mason Institute.

These achievements are even more remarkable given that we continue to experience significant gaps in the numbers of doctors needed to staff all of our specialities. While we have been able to recruit in some specialities others, including our Emergency Departments and Acute Medicine, remain hard to fill.

This has significant implications for the Trust's ability to implement fully the government's stated aim of more comprehensive seven day services.

Despite these staffing challenges, through the considerable hard work and the enthusiasm of our doctors, who are part of the clinical teams of SaTH, we continue to provide very good care for our patients.

Dr Edwin Borman, Medical Director

Progress Against Operational Objectives 2016/17

I was lead director for the following Operational Objectives during the year:

<table>
<tr><th>2016/17 Strategic Priorities</th><th>2016/17 Operational Objectives</th><th>Annual Review of Progress</th></tr>
<tr><td rowspan="3">Quality and Safety
Reduce harm, deliver best clinical outcomes and improve patient experience</td><td>Monitor mortality through a robust review system and learn from avoidable deaths</td><td>• The Trust Mortality Group meets bi-monthly to review the parameters of Crude Mortality, Hospital Standardised Mortality Ratio (HSMR), Risk Adjusted Mortality Index (RAMI) and In-Hospital Summary Hospital-level Mortality Index (SHMI). The Trust's position as at February 2017 was:
o Crude Mortality 1.21% vs Peer 1.48%
o HSMR 109 vs Peer 103
o RAMI 80 vs Peer 135
o In-patient SHMI 65 vs Peer 77</td></tr>
<tr><td>To ensure medical revalidation and appraisal</td><td>Appraisal:
• Appraisal delivery for doctors was:
o 98.58% for Consultants
o 92.59% for SAS and Trust Doctors
o 96.93% Trust overall for Senior Medical Staff
• Monthly reports are sent to Clinical Directors and Care Group Medical Directors for all staff in their areas of responsibility
• Exception reporting for staff that are overdue is discussed at Care Group Board meetings
Revalidation:
• Robust processes are in place to ensure Doctors are prepared for revalidation
• In 2016/17 there were 28 revalidations in total, 18 recommendations and 10 deferred
• Support was provided to all doctors who need to have their revalidation deferred</td></tr>
<tr><td>To improve clinical outcomes for patients with sepsis, fractured neck of femur and achieve all elements within the Best Practice Tariff</td><td>Sepsis:
• Sepsis is one of the TCI Value Streams and huge improvements have been made in the recognition and treatment of patients with sepsis
• CQUIN position for 2016/17 – Sepsis CQUIN audits have been undertaken in full each quarter by lead Consultants. Unfortunately due to activity not being recorded correctly the CQUIN measures have not been met. A possible solution to this, of a lead sepsis nurse to improve recording and administration of sepsis antibiotics, is being pursued.
Fractured Neck of Femur:
• The position for 2016/17 for Fractured Neck of Femur against Best Practice Criteria:
<table><tr><th>Criteria</th><th>PRH</th><th>RSH</th></tr><tr><td>Care Meets BPT</td><td>59.3%</td><td>62.5%</td></tr><tr><td>All NHFD Care meets BPT</td><td>63.4%</td><td>63.4%</td></tr><tr><td>Surgery <36 hours</td><td>63.0%</td><td>66.7%</td></tr><tr><td>OG Assessment <72 hours</td><td>88.9%</td><td>95.8%</td></tr><tr><td>Bone Assessment</td><td>96.3%</td><td>100.0%</td></tr><tr><td>Pre-op AMTS</td><td>100.0%</td><td>100.0%</td></tr><tr><td>Fall Assessment</td><td>100.0%</td><td>100.0%</td></tr></table>
• From 1 June 2017, following implementation of the new theatre timetable extra trauma operating capacity will be provided at both sites. This will result in access to a dedicated trauma list on both Saturdays and Sundays at the PRH and RSH site along with extended days on the PRH site
• Weekend therapy provision is being implemented to ensure we meet the new national BPT criteria</td></tr>
</table>

Performance Against Key Targets 2016/17

Here are the main Key Performance Indicators that I present to meetings of the Trust Board:

Domain	Indicator	Description	Data Source	Thresholds	Performance in Year Ended 31 March 2017
Quality of Care	VTE Risk Assessment	Number of adult inpatient admissions reported as having a VTE risk assessment on admission	UNIFY Mandatory returns	Performing: 95%	Trust performance for the whole year is 95.66%. This is the first year that SaTH has exceeded the 95% target for the whole year.

More detailed performance measures are included in the Quality and Safety section of our Integrated Performance report presented to each Trust Board meeting, with further review and assurance through the Quality and Safety Committee and Clinical Governance Executive. Further information about quality performance can be found in our Quality Account 2016/17 which is included at Appendix 1 to this Annual Report.

I.2c Chief Operating Officer's Report

As Chief Operating Officer I have Board-level responsibility for service delivery across the Trust, leading our Clinical Care Groups which provide hospital and wider services for around half-a-million people across Shropshire, Telford & Wrekin and mid Wales. I also have executive responsibility for major incident and emergency planning.

It's hard to remember a time when demand on our hospitals has been quite so great – or when there has been such an intense focus on the NHS. We have, once again, emerged from a difficult winter but still continue to see more and more people arriving in our hospitals through our Emergency Departments.

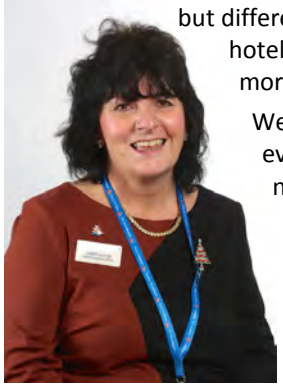
Addressing the challenges that come with greater attendances and greater admissions requires a whole-system approach. These solutions will be developed through the A&E Delivery Board and will focus primarily on areas such as Discharge to Assess (helping those who may need support to leave hospital earlier, by arranging a care package to support them at home), front door streaming, patients who are medically fit to transfer, Primary Care capacity, and ambulance hand-overs. We're also looking at alternative solutions to benefit our patients and reduce waiting lists. We've been incredibly well supported at PRH by Vanguard Healthcare Solutions and NHS England who, this year, have provided a mobile theatre to help with our Oral and Maxillofacial Surgery waiting lists.

Our initiatives to reduce waiting times for diagnostics also include investing heavily in new technologies. Our two existing Magnetic Resonance Imaging (MRI) scanners (one at PRH and one at RSH) are the oldest in the country but we're delighted to not only be replacing them, but to be adding a third as well. The first scanner to be replaced is that at PRH, followed by the one at RSH. Our new third scanner will be installed at RSH in the autumn. This is exciting news for the Trust and will mean we'll have some of the most advanced scanners in the country. The new scanner will increase our capacity and allow us to carry out over 35,000 scans a year. We're incredibly grateful to the League of Friends of the Royal Shrewsbury Hospital, which last year launched a £1 million appeal for the new scanner. Their support is invaluable.

Within the Trust, one of our main focuses is reducing the volume of patients admitted and discharged from our hospitals over the weekend. Increasing discharges at the weekend is a key component of the Trust's work on the national SAFER initiative. We have appointed a dedicated team to focus on the delivery of the SAFER Patient Flow Bundle, including the 'Red 2 Green' process to reduce non-value added time for patients and work to get them home sooner. By improving patient flow through our hospitals, the Trust's Emergency Departments will also flow more easily. Red 2 Green is a tool that we have been using since autumn 2016 to enable us to improve patient flow. A red day is when a patient receives little or no value-adding acute care; a green day is when a patient receives acute care that helps them towards discharge.

Our Cancer services continue to perform well, and I am delighted to report that we ended the year delivering against all nine of our cancer performance standards. This is a real testament to the commitment, dedication and care shown by the multidisciplinary teams who made this happen.

We have continued to do some great work as part of our transformation work in partnership with the Virginia Mason Institute in Seattle. In March we launched our fourth Value Stream in Ophthalmology Outpatients. This was the first time we had directly involved patients in our transformation work. Through taking a step back from the 'day job' our team was able to identify that a large number of cancelled Ophthalmology appointments were a result of patients not understanding the letter we sent them. The feedback was that the appointment letters were too wordy and didn't focus clearly enough on the important facts. At one time we had 40 different appointment letter templates all effectively saying the same thing, but differently. We now have just one letter, which is clear and concise – much like you'd expect from a hotel when you confirm your booking. We estimate that these seemingly minor changes could save us more than £500,000 every year.



We have also continued to make excellent progress on Respiratory Discharge, which was our first ever Value Stream. Demand on the service and on our staff is high and therefore there is an urgent need to ensure the process for handover from an assessment area to a specialty ward is consistently timely and of a high quality. We recently embarked on our fifth Rapid Process Improvement Workshop (RPIW), which is focusing on improving the multi-disciplinary team board round that expedites the co-ordination of a patient's care and enables a timely and safe discharge.

Debbie Kadum, Chief Operating Officer

Progress Against Operational Objectives 2016/17

I was lead director for the following operational objectives during the year:

2016/17 Strategic Priorities	2016/17 Operational Objectives	Annual Review of Progress
Quality and Safety: Address the existing capacity shortfall and process issues to consistently deliver national healthcare standards	Deliver key national operational standards including plans for winter resilience and unplanned changes in demand	• Challenges in the delivery of the A&E four hour standard and the 18 week Referral to Treatment standard continued throughout 2016/17 • Despite achieving Cancer and Diagnostic standards during the year, issues of sustainability will continue into 2017/18 as demand increases and workforce issues remain • Initiatives were progressed with partners across the health system to improve the flow of patients through both hospitals with the aim of improving patient experience and delivery of the four hour A&E Standard • The SAFER/Red2Green programme was prioritised with the establishment of a Taskforce and agreement for a dedicated team to work with Care Group teams at ward level to deliver • Whilst unplanned activity remained broadly similar to 2015/16, the complexity of patients admitted during the year increased especially over the winter months resulting in ongoing reliance on escalation capacity • An internal winter plan saw the reallocation of elective bed capacity to unplanned medical capacity. Escalation levels were at level 4 for large parts of the winter with escalation beds open at both sites between November and into April • Ambulatory care was prioritised again in 2016/17 at both sites but the impact was minimal due to inpatient demand for beds
Quality and Safety: Develop a clinical strategy that ensures the safety and short-term sustainability of our clinical services pending the outcome of the Future Fit Programme	Implement activity plans to deliver an improved performance for key operational standards	• A number of services were formally identified as Fragile Services in 2016/17. In addition to A&E, these are: Neurology; Ophthalmology; Spinal; and Dermatology • The work started in 2016/17 to address workforce and structural issues within these services will continue into 2017/18; including discussions with the Joint Health Overview and Scrutiny Committee, Clinical Commissioning Groups and stakeholders • Plans to address the poor environment within Ophthalmology commenced during the year which includes refurbishment of the Copthorne Building at RSH. These will continue into 2017/18 with service changes approved by the Trust Board • The Operational Business Planning process with the Care Groups established a plan for bed realignment between Scheduled and Unscheduled Care (for implementation during 2017) as well as plans to develop the concept of SaTH2Home for patients in hospital greater than 11 days who no longer require acute hospital care

My performance information is continued on the next page, where you will find the Key Performance Indicators that I report to Trust Board.

Performance Against Key Targets 2016/17

Here are the main Key Performance Indicators that I report to the Trust Board and how we performed during the year:

Domain	Indicator	Description	Data Source	Thresholds	Performance in Year Ended 31 March 2017
Access (including A&E and 18 weeks Referral to Treatment [RTT])*	Four-hour maximum wait in A&E from arrival to admission, transfer or discharge	The number of patients spending four hours or less in all types of A&E department / The total number of patients attending all types of A&E department	Weekly SitReps	Performing: 95% Underperforming: 94%	80.7%
	12 hour trolley waits	The number of patients waiting in A&E departments for longer than 12 hours after a decision to admit	Weekly SitReps	Performing: 0 Underperforming: >0	17
	1 hour ambulance handovers	Ambulance handovers not completed within 60 minutes	Weekly SitReps	Performing: 0 Underperforming: >0	1575
	30 minute ambulance handovers	Ambulance handovers not completed within 30 minutes	Weekly SitReps	Performing: 0 Underperforming: >0	8045
	RTT – admitted -90% in 18 weeks	Total number of completed admitted pathways where the patient waited 18 weeks or less vs. Total number of completed admitted pathways in quarter	Monthly RTT returns via UNIFY	Performing: 90% Underperforming: 85%	63.37%
	RTT – non-admitted – 95% in 18 weeks	Total number of completed non-admitted pathways where the patient waited 18 weeks or less vs. Total number of completed admitted pathways in quarter		Performing: 95% Underperforming: 90%	91.32%
	RTT - incomplete pathways	Total number of patients on incomplete pathways less than 18 weeks vs. total number on incomplete pathways		Performing: 92%	92.58%
	RTT – greater than 52 weeks	Total number of patients waiting longer than 52 weeks from referral to treatment		Performing: 0	1
	% of patients waiting over 6 weeks for a diagnostic test	To measure waits and monitor activity for 15 key diagnostic tests		Performing: <=1%	1.68%
	28 day readmission	Number of patients not treated within 28 days of last minute elective cancellation	Quarterly return via UNIFY	Performing: 0	4
	Multiple cancellations of urgent operations	Number of last minute elective operations cancelled for non-clinical reasons	Monthly return via UNIFY	Performing: 0	561
Cancer Waiting Times	2 week GP referral to 1st Outpatient	Please see cancer waiting times guidance for definition of these performance standards	Cancer Waiting Times Database	Performing: 93% Underperforming: 88%	94.3%
	2 week GP referral to 1st outpatient – breast symptoms			Performing: 93% Underperforming: 88%	94.7%
	31 day diagnosis to treatment for all cancers			Performing: 96% Underperforming: 91%	99.2%
	31 day second or subsequent treatment – drug			Performing: 98% Underperforming: 93%	99.9%
	31 day second or subsequent treatment – surgery			Performing: 94% Underperforming: 89%	96.9%
	31 day second or subsequent treatment – radiotherapy			Performing: 94% Underperforming: 89%	98.9%
	62 days urgent GP referral to treatment of all cancers			Performing: 85% Underperforming: 80%	86.0%
	62 day referral to treatment from screening			Performing: 90% Underperforming: 85%	95.1%
	62 day referral to treatment from hospital specialist			Performing: 85% Underperforming: 80%	90.4%

More detailed performance measures are included in the Operational Performance section of our Integrated Performance Report presented to each ordinary meeting of the Trust Board, with further review and assurance through the Trust Board, Senior Leadership Team and through our operational performance systems.

I.2d Finance Director's Report

As Finance Director I have Board-level responsibilities for effective systems of financial management and control, and the development and management of our contracts and performance systems. I am also the lead director for our Estates, Information and IT services.

In order for the healthcare provided to the populations of Shrewsbury, Telford & Wrekin and mid Wales to develop and prosper it is necessary for there to exist a sustainable financial solution that enables healthcare to be delivered in a resilient and flexible manner. Any examination of resilience in the delivery of healthcare points to a requirement to find a solution to the immediate and medium-term issue of capacity difficulties arising from the unavailability of a skilled workforce. This is particularly true for the Trust.

Accordingly, in setting a financial strategy for the Trust, it has been necessary to consider opportunities that can enable the Trust to address its workforce challenges. To this end, the Trust's plans to reconfigure clinical services across the Trust's two hospital sites are a key component in responding to the workforce challenge. Doing so serves to reduce duplication and ensures that the correct levels of skilled staff are available to meet patient needs. Our analysis has revealed that by following this strategy the Trust can expect to improve recruitment and ultimately improve the level and range of care provided. The reconfiguration of services also makes sense financially. During 2016/17 the Trust spent £1.5 million-per-month employing agency staff as a consequence of on-going staffing shortages: an annual cost of £18 million. By consolidating our services the Trust reduces the need for agency staff and reduces spending by £8 million-per-year.

The plan to reconfigure clinical services across the two hospital sites requires substantial capital investment. In October 2016 the Trust completed an Outline Business Case, which described a new service model for hospital services. This service model establishes Accident and Urgent Care Centres on each of the two hospital sites, builds a new modern scalable emergency care centre and seeks to establish new centres of excellence in cancer care, ophthalmology and bariatric surgery. Plans also allow for a long overdue overhaul of ward, theatre and critical care areas supported by enhanced diagnostic and imaging capability. The estimated capital cost of this development programme is £310 million. Our calculations show that this programme is affordable to the Trust.

For such a sum to be made available to the Trust it is necessary to demonstrate that the Trust's medium-term financial strategy is capable of being delivered. The 2016/17 financial year represented the first year of the five-year medium-term plan. In setting the plan for the year the Trust was required to limit "in year" overspending to a control total deficit of £16.4 million. By doing so the Trust then received financial support from its regulator, NHS Improvement (NHSI), amounting to £10.5 million. This financial support was subject to the Trust achieving the financial control total and achieving access targets in respect of emergency care and planned care. The effect of receiving the financial support is to reduce the deficit for the year to £5.9 million.

It is pleasing to report that the Trust has successfully achieved the control total deficit of £16.4 million. This is now the sixth consecutive year that the Trust has achieved precisely the financial target given by its regulatory body, and is a level of financial performance matched by only a small minority of Trusts across the country. This is a considerable achievement.

Whilst the "in year" financial position of the Trust is important, more significant is the recurrent position of the Trust because this describes the underlying financial sustainability of the Trust. The Trust began the year with a recurrent deficit of £20.9 million and because of actions taken, will enter the 2017/18 financial year with a recurrent deficit of £17.9 million, an improvement of £2.3 million. Significantly the recurrent position also establishes a £2 million reserve to underpin the revenue consequences of the capital development described in the above. This level of recurrent financial improvement demonstrates that the Trust is not only taking actions to achieve short-term nationally defined targets but is also taking the steps to create a more certain long-term future. However, clearly there remains much that still needs to be achieved over the coming years. Given the Trust's track record there is every reason to believe that further improvement is possible. We need to continue these successes.

Neil Nisbet, Finance Director

Progress Against Operational Objectives 2016/17

I was the lead director for the following operational objectives during the year:

2016/17 Strategic Priorities	2016/17 Operational Objectives	Annual Review of Progress
Quality and Safety To undertake a review of all current services at specialty level to inform future service and business decisions	Deliver revised Operational Business Planning processes across the Trust	• The Trust's revised planning process was implemented for 2016/17 • Monthly monitoring of progress and performance against plans and trajectories was through the Trust's electronic Performance Dashboard • The process for 2017/18 has been refined further with a detailed analysis of Care Group services undertaken during 2015/16 • Part One of the Operational Plan for 2017/18 was approved by Trust Board on 30 March 2017, with Parts Two and Three due for submission in June 2017
Quality and Safety Develop a sustainable long-term clinical services strategy for the trust to deliver our vision of future healthcare services through the NHS Future Fit programme	Progress the delivery of the Sustainable Services Programme (SSP)	• Work continued on the refinement of the future clinical model during 2016/17 and the technical solutions required for the development of the Future Fit clinical model to deliver one Emergency Site and one Planned Care Site whilst maintaining two balanced, vibrant sustainable hospital sites • The SSP Strategic Outline Case was approved by Trust Board and supported by both local Clinical Commissioning Groups • Following an appraisal process the Future Fit Programme Board identified a preferred option for the future delivery of acute hospital care: Option C1 (the Emergency Site at RSH and the Planned Care Site at PRH) • The draft Outline Business Case for the SSP was approved by the Trust Board on 1 December 2016 • Work continued through the year in partnership with patients, staff and the public on the service model, workforce needs and patient pathway development
Innovation Support service transformation and increased productivity through technology and continuous improvement strategies	Progress provider efficiency opportunities identified within the Carter Review	• The Trust's Carter Steering Group meets monthly to progress schemes and initiatives identified within the Carter Review • During 2016/17 this work included improvements in Pharmacy, Procurement and planning for improvement across Support Services
	Information Technology	• The user base for the locally developed clinical portal system continued to increase in 2016/17 • Plans are in place to further increase usage of the portal to include Therapies in 2017/18 • The IT requirements to support the new clinical model were identified and formed part of the SSP Outline Business Case
	Further develop a culture and model for continuous improvement	• The Trust continued its partnership with the Virginia Mason Institute in 2016/17 and the creation of the Trust's own Transforming Care Institute • The Lean for Leaders Programme was established with 40 staff from across the Trust • The Trust's clinical teams continued to form part of the wider Future Fit/STP improvements during 2016/17 – particularly around patient pathways for patients with long-term conditions
Financial Strength: Sustainable Future Develop a transition plan that ensures financial sustainability and addresses liquidity issues pending the outcome of the NHS Future Fit Programme	Manage the financial position of the Trust	• The Trust's plan and control total to deliver a deficit pre-sustainability and transformation funding of £16.4 million was achieved in 2016/17
	Develop a strategy to improve the Trust's estate	• The Trust revised its Estates Strategy in draft during 2016/17 as part of the SSP Outline Business Case • Improvements to the Trust estate were made in key risk areas as part of the Trust's risk management processes • A final Estates Strategy will be developed in 2017/18
	Identify and deliver a recurring Cost Improvement Programme	• The Trust identified a Cost Improvement Programme of £13.031m for 2016/17 • The Trust delivered a Cost Improvement Programme of £10.911m in 2016/17
	Deliver the Capital Planning programme	• The Trust adopted a risk-based approach in delivering its capital resource in 2016/17 to target areas of highest risk as identified in the Operational Risk Group

I.2e Workforce Director's Report

As workforce Director I am the lead director for staff engagement and experience, empowering and developing our workforce, and ensuring effective systems for workforce planning.

Victoria presents a VIP Award to Laura Kavanagh, HR Business Partner.

It has been a busy and exciting 12 months and having launched our Organisational Strategy in July 2016 it is obvious we are on an exciting journey to provide the safest and kindest care in the NHS. Our staff, patients and families helped us to shape the strategy and it is our Values that remain at its foundation, with our patients and their families at the very peak.

It has been no secret that our hospitals have been incredibly busy over the past 12 months but, despite this, our workforce have been fantastic and that is why we launched our VIP (Values In Practice) Awards, to celebrate the outstanding achievements and contributions of our staff who deliver such high quality care to patients. The awards will be an annual event to celebrate the fantastic work that takes place across our Trust by staff, volunteers and charities.

During the past 12 months we have continued to build upon the foundations put into place during 2015/16 to help address some of our recruitment challenges. This has included further developments in our 'Belong to Something' campaign by featuring apprentice, volunteer and temporary staffing webpages and continuing to target Medical Staff via social media. We are also continuing to attend recruitment events to promote SaTH and Shropshire as a great place to work and live. In total, during 2016/17 we recruited 61.04 Whole Time Equivalent (WTE) Staff Nurses, 92.73 WTE Health Care Assistants and 24.23 Consultants (including those appointed on a locum basis). We've also introduced Nursing Associate roles on a trial basis to support the nursing workforce and to help us provide the best possible care for our patients. If successful, this position will be rolled out further within the Trust over the next year.

Over the past year we've also looked at new ways to support our existing staff – as well as our new recruits. A big focus has been on health and wellbeing, promoting a healthy lifestyle and championing early intervention. Once again we have increased the number of classes we provide for our staff, encouraged active lifestyles and worked closely with catering colleagues for healthier food choices.

Making our organisation a great place to work remains a priority. We recognise that if we get the experience of our staff right, this has a significant impact on not only how they feel but how our patients feel about their experiences. During the past 12 months we've taken staff feedback on board and explored ways to provide more opportunities to raise concerns and ensure staff feel confident that they are listened to and action will be taken. Therefore, we've signed up to the national Freedom to Speak Up initiative and as part of the initiative we now have two Values Guardians, who are available for staff to speak to impartially for advice and support if they feel unable to approach their manager about any concern.

Another area where we have made significant improvements as a result of staff feedback is in the creation of the Copthorne Clinical Training Centre at the Royal Shrewsbury Hospital. Staff told us that training was often difficult to access due to the lack of a dedicated training space. We've also significantly improved the take-up for the flu vaccination over the past 12 months. On the back of only 43.3% of staff having the jab in 2015/16, we this year launched our Flu Busters campaign and I am delighted to report that 71% of all frontline healthcare workers had the vaccination this time around. We will aim to increase the uptake even further when the vaccination is available again next winter.

Our latest NHS Staff Survey results are, in terms of our overall performance, similar to last year, but improving. That means we still have work to do to create a better working environment. However, there are some real positives that highlight our continued journey of improvement. It's great that 99% of our staff know our Trust Values and, pleasingly, there has been a 9% increase in the number of staff seeing these Values put into practice in the workplace. I am also delighted to report that we are above the average nationally for staff accessing training and development.

I am really pleased with progress we made in recruitment and supporting our workforce over the past 12 months, and our aim is to continue this over the next 12 months, alongside a number of other exciting projects, such as making our hospital sites smoke-free by the end of 2017.

Victoria Maher, Workforce Director

Progress Against Operational Objectives 2016/17

I was lead Director for the following Operational Objectives during the year:

2016/17 Strategic Priorities	2016/17 Operational Objectives	Annual Review of Progress
Quality and Safety Reduce harm, deliver best clinical outcomes and improve patient experience	Improve recruitment and retention of staff, especially within challenged services	• The Trust's 'Belong to….' recruitment campaign for all staff groups was delivered with positive outcomes and increased applications • Innovative employment offers were progressed to increase attraction to difficult to recruit to posts e.g. sabbaticals • The Trust increased its presence at local/regional/national recruitment events and proactively marketed the SaTH offer at Higher Education institutions • Revalidation for all registered nurses both substantive and bank was supported during 2016/17 and will continue • Recruitment was one of the Value Streams within our Transforming Care work focusing on the process from when a vacancy arises and is approved, to when the successful candidate commences in post
	Develop plans for 7-day working within the current workforce capacity	• Care Groups have shown some progress towards 7-day working for example within Acute Medicine and Therapies. Challenges of delivering this without additional resource, however, means this work will continue into 2017/18 and beyond • The multi-disciplinary internal working group continued to co-ordinate and drive delivery with the use of new ways of working/new role developments to support progress during the year
	Improve our unavailability rate and reduce the reliance on agency nurses	• A target of an unavailability rate of 24% and a fill rate of 95% was set for nursing during 2016/17. The overall unavailability average position for the year was 28%. Work to address the shortage of Registered Nurses, especially within Scheduled and Unscheduled Care forms a large part of the Operational Plan for 2017/18 • Detailed analysis was undertaken as part of the operational business planning process with Care Groups to align activity with nursing capacity. The outcome of this work was approved by Trust Board in March 2017 for implementation during quarters 1 and 2 in 2017/18
	Achieve the nationally required agency cap	• A single centralised process to support authorisation and monitoring of agency bookings was successfully implemented • Prospective rota management was supported across the Trust • A working group was established to monitor and track agency staff usage. This group will continue to meet through 2017/18, reporting progress to the Workforce Committee
	Increase the use of new roles: advanced practitioners; higher level generic roles; and apprenticeships	• The Trust has continued to develop new roles during the year, including Nurse Associates, Advanced Practitioners, and a number of apprenticeships
People Through our People Strategy develop, support and engage with our workforce to make our organisation a great place to work	Deliver the Trust's Leadership Development Programme	• Development of a Leadership Academy was progressed during the year with the objectives of increasing leadership capability and capacity at all levels within the Trust
	Achieve key performance indicators for sickness; appraisals; and statutory and mandatory training	• All workforce KPIs were reported and discussed monthly at Workforce Committee with a summary submitted to Trust Board • The acceleration of the recovery from the Training Pause at the end of 2016/17 is planned with the aim of achieving compliance by 31 December 2017 if attendance on courses was between 95 – 100%
	Improve staff engagement	• The Staff Survey 2016 highlighted improved engagement scores across the Trust • An update of the Trust's scores were shared at the Senior Leadership Team and Trust Board at the end of March 2017 and an action plan will be produced for implementation • Results show that awareness of the Trust Values increased in 2016/17, although there remains work to be done to see whether people feel these Values are being 'lived'

Performance Against Key Targets 2016/17

Here are the main Key Performance Indicators that I present to the Trust Board:

Domain	Indicator	Description	Data Source	Thresholds	Performance in Year Ended 31 March 2017
Workforce	Sickness absence	Number of days sickness absence vs. available workforce	SaTH Returns	Performing: 3.99%	4.04%
	Appraisal	Number of eligible staff receiving appraisal in current performing vs. total eligible staff		Performing: 80% (Stretch target 100%)	86.17%
	Statutory and Mandatory Training	Number of spells or attendance with valid number/Total number		Performing 80%	76.72%

More detailed performance measures are included in the Workforce section of our Integrated Performance report presented to each ordinary meeting of the Trust Board, with further review and assurance through the Trust Board's Workforce Committee.

I.1f Director of Corporate Governance's Report

I am responsible for ensuring effective systems of governance and risk management within the Trust, and I am also the Company Secretary. My wider responsibilities include legal services, security, facilities, communications and health & safety. I am also the Lead Director for Community Engagement and social action through our members and volunteers.

Last year the Trust held its first ever Family Fun Day as part of plans to open our doors to the local community. At the end of the day, the community is whom we are here to serve and it was great to see so many members of the public, patients, staff and partner organisations on the day despite the rain! During our Family Fun Day, I was delighted that we launched a three-year Living Well With Dementia appeal which aims to raise money to make our ward and outpatient departments dementia-friendly for our patients.

Trust Chair Peter Latchford, Chief Executive Simon Wright, Dementia Clinical Nurse Specialist Karen Breese and former Shrewsbury Mayor Ioan Jones at the launch of the Living Well With Dementia appeal

The past 12 months have been an outstanding period for us from a sustainability point-of-view as we introduced new gardens, provided initiatives to help staff get to work in a sustainable way and were successful in national and regional awards. We now have more than 100 Sustainability Champions and continue to have a successful partnership with the Wildlife Trust to further develop green hospital spaces for patients, visitors and staff. We were also nominated in five categories in the prestigious national NHS Sustainability Awards.

A particular highlight of the year was the creation of an outdoor gym on the grassed area near the Transforming Care Institute at RSH thanks to us winning a £10,000 grant from Tesco's Bags of Help scheme. The gym was officially opened on NHS Sustainability Day, when we also planted more than 2,000 trees across both hospital sites with the help of the community. We plan to open a similar outdoor gym at PRH in the summer. During the past 12 months we have also come up with lots of initiatives to try to improve parking for patients and staff. We have introduced a lift-share scheme, built new cycle shelters, secured discounted bus fares with Arriva and highlighted our policy of offering 30-minutes free parking on site to allow patients to be dropped off without incurring charges.

I'd like to thank our volunteers for their contributions over the past 12 months. We now have more than 800 volunteers who provide excellent support for our staff throughout the Trust, plus almost 300 linked to the League of Friends. The Lingen Davies charity has also been extremely supportive and I was delighted when they achieved their fundraising target for a new Linear Accelerator, which will benefit our patients requiring treatment for cancer.

It has been another busy year for the Trust in terms of communications. There has been a major focus on our programme to reconfigure our hospitals and the team have also organised successful media days in A&E and Women and Children's, promoted the transformation work done in partnership with the Virginia Mason Institute (VMI) and have supported successful campaigns such as Flu Busters, Healthcare Science Week and World Cancer Day. Our new Web Development Team launched a new-look Trust website, which is a lot easier to use, and we will be doing the same for our intranet.

It has been a busy 12 months for our Facilities Department, too. Our Cleanliness Technicians and Catering Staff have been involved in the transformation work we are doing in partnership with VMI to improve the services we offer patients, while the Catering Team also secured five star hygiene ratings for our hospital kitchens and cafes. Security is an important element of a safe environment for staff and visitors and our Security Team have helped to once again drive down intentional violence against members of staff with some of the best results in the NHS for taking action against offenders.

Reflecting on the year's achievements, I am delighted to report on the progress made within the Directorate delivering above and beyond on all our objectives.

Julia Clarke, Director of Corporate Governance

Progress Against Operational Objectives 2016/17

I was the lead director for the following operational objective in 2016/17:

2016/17 Strategic Priority	2016/17 Operational Objective	Annual Review of Progress
Community and Partnership Develop the principle of **'agency' in our community** to support a prevention agenda and improve the health and wellbeing of the population	Continue to develop environmental and social sustainability through the Good Corporate Citizen programme	• A self-assessment of the Trust was undertaken in December 2016 against the NHS Sustainable Development Unit's *Making You a Good Corporate Citizen* tool. The Trust scored 65%, an increase of 3% compared to the previous assessment in 2015 • In April the Trust was "highly commended" in the 'Water' category at the NHS Sustainable Development Unit annual Sustainability Awards – more than any other Trust • 2017 saw the Trust move into the third year of its 5 year Sustainable Development Management Plan • The Trust continues to develop valuable relationships with public and private sector partners in delivering our sustainability objectives • The Trust has been shortlisted in five categories at the NHS Sustainability Awards in 2017 - for the fourth year in succession
Community and Partnership Embed a customer-focused approach and improve relationships through our stakeholder engagement strategies	Improving patient experience and involvement through engagement and opportunities with our communities and partners	• The responsibility for Communications within the Trust transferred to the Director of Corporate Governance in 2016/17 • Engagement events with patients, staff, the public, partners and stakeholders took place throughout 2016/17 focusing on key internal priorities, for example Dementia, Ophthalmology and the Sustainable Services Programme • Plans to increase the number of hospital volunteers were successfully implemented; Mealtime Buddies and Ward Helpers joined the existing volunteers areas of skill and support to patients and staff • Working with volunteers and community organisations to create green spaces at PRH and RSH for the benefit of patients, staff and local communities • Organising series of health lectures which have been attended by hundreds of members of the public • Holding first Saturday 'Open Day' which was well-attended, despite the rain

Signed.....

Simon Wright, Chief Executive

Date.....30 May 2017.....

Part II. Accountability Report

II.1 Corporate Governance Report
II.1a Director's Report

The Shrewsbury and Telford Hospital NHS Trust is an NHS Trust established in accordance with the National Health Service Act 2006 and related legislation. It is led by a Board of Directors responsible for all aspects of the Trust's performance including high standards of clinical and corporate governance. This section of the Annual Report provides information about the members of the Board and how the Trust is governed.

The members of the Trust Board at year end are outlined below, including a summary of their experience, registered interests and terms of office. During the year there were several changes with the Board. Sarah Bloomfield left the Trust as Director of Nursing and Quality and was replaced by Helen Jenkinson as Acting Director of Nursing and Quality in February 2017. Colin Ovington was appointed as Interim Director of Nursing and Quality in March 2017. A permanent Director of Nursing and Quality, Deirdre Fowler, joins the Trust in May 2017. Dr Robin Hooper, Mrs Donna Leeding and Dr Simon Walford left their posts as Non-Executive Directors during the year. Paul Cronin became a Non-Executive Director in August 2016 (having previously been a Designate Non-Executive Director). Dr Chris Weiner and Dr David Lee both joined as Non-Executive Directors in December 2016, and Mrs Terry Mingay also joined in the same month as a Designate Non-Executive Director.

Members of the Trust Board: Chair and Non-Executive Directors

Professor Peter Latchford OBE, Chair

Peter has been Chair, Chief Executive and troubleshooter for a variety of public service organisations, in health, housing, regeneration, community cohesion, enterprise, infrastructure, local authority, museums, skills, business support, and crime. He is Director of Black Radley Ltd which provides specialist consultancy services in enterprise development, governance and strategic planning. He is also Visiting Professor of Enterprise at Birmingham City University and Trustee of the LankellyChase Foundation. He was awarded an OBE for services to business and the community in the New Years Honours of 2012.

- Term: November 2013 to October 2017 (first term)
- Political activity: None
- Interests declared at year end: Director and Shareholder in Spark UK Ltd, Director of Black Radley Ltd, Director of Black Radley Culture Ltd, Director of Black Radley Systems Ltd, Director of Black Radley Insight Ltd, Director of Sophie Coker Ltd, Trustee of the Lankelly Chase Foundation, Visiting Professor at Birmingham City University, Lecturer at Warwick University, Fellow of Royal Society for Arts and Manufacturing (RSA).
- Declared interests expiring during the year: None

Mr Harmesh Darbhanga, Non-Executive Director

Harmesh graduated with an honours degree in Economics from the University of Wolverhampton. He has worked in a variety of senior roles in local government and has over 25 years experience in accountancy and audit having worked both in the public and private sector. He is currently a local government Finance Manager for Projects where his main responsibilities are for the Medium-Term Financial Strategy, Financial Appraisals and providing analytical and accounting support on key projects. Harmesh has extensive board level experience having previously served as an Independent Board Member of Severnside Housing and more recently as Non-Executive Director and Locality Support Member at Shropshire County Primary Care Trust.

- Term: September 2013 to September 2017 (first term)
- Political activity: None
- Interests declared at year end: None
- Declared interests expiring during the year: None

Mr Paul Cronin, Non-Executive Director

Paul has been the Chief Executive of Severn Hospice, a local charity that provides palliative and end-of-life care for adults in Shropshire, Telford & Wrekin, north Powys and Ceredigion, since 2003. Paul started his career in the NHS with Shropshire Health Authority 32 years ago and has held a variety of roles, including Chief Executive posts at the Cardiothoracic Centre - Liverpool NHS Trust, Wirral Health Authority and North Cheshire Hospitals. While with Severn Hospice, Paul has led the development of Compassionate Communities across Shropshire and is passionate about citizens and organisations working together in partnership to provide support to the most frail and vulnerable in our communities.

- Term: August 2016 to August 2020 (first term)
- Political activity: None
- Interests declared at year end: Chief Executive of Severn Hospice, Trustee of Compassionate Communities UK
- Declared interests expiring during the year: None

Mr Clive Deadman, Non-Executive Director

Clive brings 30 years' experience from senior commercial, finance and business development roles. He studied Chemistry at Cambridge University and worked in Africa before spending eight years in the Venture Capital industry. Since joining the utility sector in 1992, Clive has held a range of executive director roles in electricity distribution, water and wastewater utilities. Clive holds a number of directorships in the housing and utilities sector. He is currently a Non-Executive Director for Metropolitan Housing Trust, one of the largest owners and operators of social housing in the UK, a position he has held since 2013.

- Term: February 2016 to 31 January 2018 (first term)
- Political activity: None
- Interests declared at year end: Director of Ombudsman Services Ltd, Director of Metropolitan Housing Trust, Chairman of Energy Innovation Centre Investment Forum, Council Member and Fellow of Institute of Asset Management, Director and Shareholder of 1905 Investments Ltd. Lecturer at Cranfield University, Director of MML Ltd, Director of CPD Ltd
- Declared interests expiring during the year: None

Dr David Lee, Non-Executive Director

David has been a GP for 29 years and has worked in medical leadership roles within both the NHS and the independent sector. He is currently the Medical Director of CSC, a multi-national corporation that provides information technology services and professional services. He combines this leadership role with work as a GP in Shropshire. David is a committed proponent of clinical leadership and the benefit of effective clinical leadership for patients using health services and for the organisations responsible for providing or commissioning them. In addition to his medical qualifications gained from Manchester University, David has an MBA from Leeds University and is currently training as an executive coach. Dr Lee and his family moved to Shropshire 12 years ago.

- Term: December 2016 to December 2018 (first term)
- Political activity: None
- Interests declared at year end: Medical Director of CSC (Computer Sciences Corporation), Sessional GP within Shropshire working principally at Alveley Medical Practice, Director of Massive Heart Consulting Ltd
- Declared interests expiring during the year: None

Mrs Terry Mingay, Designate Non-Executive Director

Terry started her career in the NHS as a general and subsequently a mental health nurse 38 years ago in London. She worked in London and in the West Midlands, holding a variety of posts including Nurse Director, Human Resources Director, Deputy Chief Executive and Managing Director of a Community Health NHS Provider. Upon retirement from salaried employment in 2011, Terry established herself as a freelance healthcare consultant with much of her work involved in clinical quality initiatives. Between 2011 and 2015 she spent a large proportion of time undertaking consultancy projects with both Shropshire and Telford and Wrekin Clinical Commissioning Groups, which gave her an insight and interest in the areas that SaTH serves. She is currently a Board member of a Social Housing Provider and a Trustee of a hospice in Staffordshire.

- Term: December 2016 to December 2018 (first term)
- Political activity: None
- Interests declared at year end: Trustee of Katharine House Hospice, Board member of Walsall Housing Group
- Declared interests expiring during the year: None

Mr Brian Newman, Non-Executive Director

Brian has over 30 years' experience at managing director level in a variety of international businesses, including, for eight years, as MD of GKN plc's global Wheels Division, which has headquarters in Telford. He also has considerable Trade Association board experience including as chairman of the board of the British Fluid Power Association. Brian, who is a Freeman of the Shrewsbury Drapers Company, is married with three adult sons.

- Term: April 2016 to March 2020 (second term)
- Political activity: None
- Interests declared at year end: Director - Beckbury Associates Limited, Director - The Woodard Corporation Ltd, Director - Pressure Technologies PLC
- Interests expiring during the year: Chairman of Governors of Prestfelde School

Dr Chris Weiner, Non-Executive Director

Chris is a Public Health specialist with extensive experience in the NHS and also local government. Over the years, he has worked in NHS organisations to improve health and well-being in both Telford and Shrewsbury. He moved to Shropshire 18 years ago and considers this to be very much home for himself and his family.

- Term: December 2016-December 2018 (first term)
- Political activity: None
- Interests declared at year end: Clinical Director at Wiltshire Health and Care

Members of the Trust Board: Chief Executive and Executive Directors

Mr Simon Wright, Chief Executive

Simon was appointed as director at Warrington and Halton Hospitals NHS Foundation Trust in June 2007. Simon started his management career with nine years in the independent health sector before joining The Walton Centre for Neurology and Neurosurgery NHS Trust in 1997. He joined Salford Royal Hospitals Trust in 2001 as general manager, later becoming associate director. He helped lead Warrington and Halton Hospitals from turnaround to strong performing NHS Foundation Trust with a track record of operational delivery during his time there. He took on the role of deputy chief executive in July 2013 alongside his chief operating officer role. Simon has a MSc from Lancaster University. He is married with one son and enjoys music, sport and reading.

- Appointed: September 2015
- Political activity: None
- Interests declared at year end: None
- Interests expiring during the year: None

Mrs Sarah Bloomfield, Director of Nursing and Quality (until 5 March 2017)

Sarah joined The Shrewsbury and Telford Hospital NHS Trust in November 2011, in the role of Deputy Chief Nurse. She became Acting Director of Nursing and Quality in September 2013, before being appointed to the substantive post in April 2014.

- Appointed: April 2014 (seconded as Acting Director of Nursing and Quality in September 2013 and appointed as substantive Director of Nursing and Quality in April 2014)
- Interests declared at year end: None
- Interests expiring during the year: None

Mr Colin Ovington, Interim Director of Nursing and Quality (from 6 March 2017 until 30 April 2017)

Colin has spent 11 years of his career working at Board level in four nurse director posts in acute trusts. His career started in the North East, followed by training in Cumbria and Leeds, and jobs that took him to Derbyshire, Nottingham, London, Bedford, Stafford and Birmingham.

- Appointed: March 2017 as Interim Director of Nursing and Quality. Deirdre Fowler has been appointed as permanent Director of Nursing and Quality from May 2017.
- Political activity: None
- Interests declared at year end: None
- Interests expiring during the year: None

Dr Edwin Borman, Medical Director

Edwin joined the Trust as Medical Director in April 2013. Prior to this, he was Clinical Director for Anaesthetic, Critical Care and Pain Services at University Hospitals of Coventry and Warwickshire NHS Trust. Throughout his career Edwin has taken a keen interest in the standards of medical practice, education, ethics, equality and diversity, representation and leadership. This has included chairing the British Medical Association's (BMA) Junior Doctors Committee and its International Committee, serving for over 20 years as a BMA Council member and for 14 years as a GMC Council member.

- Appointed: April 2013
- Interests declared at year end: None
- Interests expiring during the year: Secretary General of the European Union of Medical Specialists

Debbie Kadum, Chief Operating Officer

After training as a nurse Debbie completed her orthopaedic nursing certificate and joined Robert Jones and Agnes Hunt Orthopaedic Hospital NHS Foundation Trust in 1986. She held a series of nursing roles including seven years as a ward sister before moving into clinical and senior management roles. This included two years as clinical co-ordinator for the Midlands Centre for Spinal Injuries, a stint as Acting Executive Nurse and most recently over two years as Deputy Director of Operations. In 2005 Debbie moved to Chester as Divisional Manager for Diagnostic, Therapy and Pharmacy Services, later becoming Divisional Manager for Medicine before her appointment as Divisional Director for Urgent Care in 2010. Debbie joined SaTH as Chief Operating Officer in December 2012. Debbie has lived in Shropshire for over 30 years, and is married with two children, and one grand-daughter.

- Appointed: December 2012
- Political activity: None
- Interests declared at year end: None
- Interests expiring during the year: None

Mr Neil Nisbet, Finance Director

Neil joined the Trust in April 2011, having previously been a Finance Director for 12 years and most recently Director of Organisational Resources and Director of Finance at Wolverhampton City PCT.

- Appointed: April 2011
- Political activity: None
- Interests declared at year end: None
- Interests expiring during the year: None

Declaration from Directors

Each Director confirms that as far as he/she is aware there is no information which would be relevant to the auditors for the purposes of their audit report, and of which the auditors are not aware, and has taken "all the steps that he or she ought to have taken" to make himself/herself aware of any such information and to establish that the auditors are aware of it.

Board Meetings

The Trust Board met eight times during the year in addition to the Annual General Meeting in September. Meetings of the Trust Board are held in public. Board papers are published on the Trust website. Information about attendance at Trust Board meetings is included in the Annual Governance Statement at Appendix 3.

The Board received reports from the five committees chaired by the Non-Executive Directors: Audit Committee, Sustainability Committee (including Charitable Funds), Quality and Safety Committee, Remuneration Committee, and Workforce Committee.

In addition the Trust Board received reports from the Senior Leadership Team (chaired by the Chief Executive). These reports ensure that the Trust Board can reach informed and considered decisions and ensure the Trust meets its objectives.

Register of Interests

The Trust holds a register of interests of the members of the Trust Board. Directors are asked to declare any interests that are relevant or material on appointment and should a conflict arise during their term. The register of interests, which is updated and published annually, is maintained by the Board Secretary and available to the public via our website at **www.sath.nhs.uk** within the papers of the Trust Board meeting. A copy can be obtained from the Trust or viewed by appointment. The declarations of interests of the members of the Trust Board during the year are included from pages 28-32.

Audit Committee

The Audit Committee's chief function is to advise the Board on the adequacy and effectiveness of the Trust's systems of internal control and its arrangements for risk management, control and governance processes and securing economy, efficiency and effectiveness (value for money). The audit committee met regularly throughout the year. Chaired by Non-Executive Director Harmesh Darbhanga, the committee comprises three Non-Executive Directors (including the committee chair). The other committee members during the year were Dr Robin Hooper and Dr Simon Walford (until their terms in office concluded) and Dr Chris Weiner and Clive Deadman (after Robin and Simon's terms of office concluded). Other Non-Executive Directors are welcome to attend. Committee meetings are attended regularly by the internal and external auditors, Finance Director, Director of Corporate Governance and Head of Assurance. Other Executive Directors attend by invitation. The committee met on six occasions during the year. This included one special meeting to review the annual accounts.

Disclosure of Personal Data Related Incidents

The Trust takes its responsibilities for protecting patient information seriously, and we expect high standards of information governance from our staff.

There were 4 significant incidents relating to person identifiable information which were formally reported at the Trust in 2016/17.

II.1b Statement of Chief Executive's Responsibilities

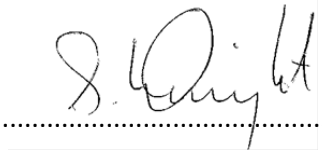
Statement of the Chief Executive's Responsibility as the Accountable Officer of the Trust:

The Chief Executive of NHS Improvement has designated that the Chief Executive should be the Accountable Officer to the Trust. The relevant responsibilities of Accountable Officers are set out in the Accountable Officers Memorandum issued by the Chief Executive of the NHS Improvement.

These include ensuring that:

- there are effective management systems in place to safeguard public funds and assets and assist in the implementation of corporate governance;
- value for money is achieved from the resources available to the Trust;
- the expenditure and income of the Trust has been applied to the purposes intended by Parliament and conform to the authorities which govern them;
- effective and sound financial management systems are in place; and
- annual statutory accounts are prepared in a format directed by the Secretary of State with the approval of the Treasury to give a true and fair view of the state of affairs as at the end of the financial year and the income and expenditure, recognised gains and losses and cash flows for the year.

To the best of my knowledge and belief, I have properly discharged the responsibilities set out in my letter of appointment as an Accountable Officer.



Signed.....

Simon Wright, Chief Executive

Date.....30 May 2017.....

Annual Governance Statement

The Trust has produced a full Governance Statement which details the governance framework of the Trust, including the governance responsibilities of committees, how the Trust identifies and assesses risk, the principal risks to achieving the organisational objectives, and serious incidents occurring in the last year.

The statement details how the organisation ensures the effectiveness of its systems of internal control and any issues that have occurred during the year.

This statement can be found in full in Appendix 3: Financial Statement / Annual Accounts.

II.2 Remuneration and Staff Report
II.2a Remuneration Report

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce. The banded remuneration of the highest paid director in The Shrewsbury and Telford Hospital NHS Trust in the financial year 2016-17 was in the salary banding of £170,000 to £175,000 (2015-16, £170,000 to £175,000). This was 6.99 times (2015-16, 7.03 times) the median remuneration of the workforce, which was £24,666 (2015-16, £24,555). In 2016-17, 25 (2015-16, 16) employees received remuneration in excess of the highest-paid director. Remuneration ranged from £172,000 to £302,600 (2015-16, £175,500 to £273,000).

Total remuneration includes salary, non-consolidated performance-related pay (not applicable to any member of staff in 2016-17 or 2015-16), benefits in kind as well but not severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

Table 11.2a - 1: Salary entitlements of senior managers (members of the Trust Board). This information is subject to audit. This information has been audited.

	2016-17						2015-16					
Name and Title	Salary (bands of £5,000) £000	Expense payments (taxable) total to nearest £100 £00	Performance pay and bonuses (bands of £5,000) £000	Long term performance pay and bonuses (bands of £5,000) £000	All pension-related benefits (bands of £2,500) £000	TOTAL (bands of £5,000) £000	Salary (bands of £5,000) £000	Expense payments (taxable) total to nearest £100 £00	Performance pay and bonuses (bands of £5,000) £000	Long term performance pay and bonuses (bands of £5,000) £000	All pension-related benefits (bands of £2,500) £000	TOTAL (bands of £5,000) £000
Professor Peter Latchford Chairman	30-35	-	-	-	-	30-35	30-35	-	-	-	-	30-35
Mr Simon Wright Chief Executive	155-160	-	-	-	32.5-35	190-195	80-85	-	-	-	70-72.5	150-155
Voting Directors												
Mrs Deborah Kadum Chief Operating Officer	115-120	-	-	-		115-120	115-120	-	-	-	42.5-45	160-165
Dr E Borman Medical Director	170-175	-	-	-	-	170-175	170-175	-	-	-	-	170-175
Mrs Sarah Bloomfield Director of Nursing and Quality	105-110	-	-	-	-	105-110	110-115	-	-	-	-	110-115
Mr Neil Nisbet Finance Director	135-140	1,100	-	-	-	140-145	135-140	500	-	-	-	135-140
Non-Executive Directors												
Mr Paul Cronin Non Executive Director	5-10	-	-	-	-	0-5	0-5	-	-	-	-	0-5
Mr Harmesh Darbhanga Non Executive Director	5-10	-	-	-	-	5-10	5-10	-	-	-	-	5-10
Mr Clive Deadman Non Executive Director	5-10	-	-	-	-	5-10	0-5	-	-	-	-	0-5
Mr Robin Hooper Non Executive Director (to 14.10.16)	0-5	-	-	-	-	0-5	5-10	-	-	-	-	5-10
Mr David Lee Non Executive Director (from 2.12.16)	0-5	-	-	-	-	0-5	0	-	-	-	-	0
Mrs Donna Leeding Non Executive Director (to 31.5.16)	0-5	-	-	-	-	0-5	5-10	-	-	-	-	5-10
Teresa Mingay Designate Non Executive Director (from 2.12.16)	0-5	-	-	-	-	0-5	0	-	-	-	-	0
Mr Brian Newman Non Executive Director	5-10	-	-	-	-	5-10	5-10	-	-	-	-	5-10
Dr Simon Walford Non Executive Director (to 30.9.16)	0-5	-	-	-	-	0-5	5-10	-	-	-	-	5-10
Christopher Weiner Non Executive Director (from 2.12.16)	0-5	-	-	-	-	0-5	0	-	-	-	-	0
Band of Highest Paid Director's Remuneration (FYE)	170-175						170-175					
Median Total Remuneration	24,666						24,555					
Ratio	6.99						7.03					

Table 11.2a - 2: Pension entitlements of senior managers (members of the Trust Board). This information is subject to audit. This information has been audited.

Name & Title	Real increase in pension at pension age (bands of £2,500)	Real increase in pension lump sum at pension age (bands of £2,500)	Total accrued pension at pension age at 31 March 2017 (bands of £5,000)	Lump sum at pension age related to accrued pension at 31 March 2017 (bands of £5,000)	Cash Equivalent Transfer Value at 1 April 2016	Real increase in Cash Equivalent Transfer Value	Cash Equivalent Transfer Value at 31 March 2017	Employer's contribution to stakeholder pension
	£000	£000	£000	£000	£000	£000	£000	£000
Mr Simon Wright Chief Executive	2.5-5	5-7.5	30-35	100-105	532	79	611	
Dr Edwin Borman Medical Director	0-2.5	2.5-5	70-75	215-220	1,421	61	1,482	
Mrs Deborah Kadum Chief Operating Officer	0-2.5	0-2.5	40-45	130-135	830	37	867	
Mr Neil Nisbet Finance Director	0-2.5	0-2.5	50-55	150-155	977	44	1,021	
Mrs Sarah Bloomfield Director of Nursing and Quality	0	0	20-25	70-75	324	3	327	

Remuneration for directors is set by the Trust's Remuneration Committee. Director salaries are reviewed at appointment then, annually, a benchmarking exercise is undertaken to ensure remuneration remains appropriate. Remuneration figures represent actual remuneration rather than full-year effect.

II.2. Remuneration and Staff Report
II.2b Staff Report

We employ almost 6,000 staff and hundreds of staff and students from other organisations also work in our hospitals.

This report provides details about the make-up of our workforce, which at the end of 2016/17 increased by 129 to 5,903. When taking into account those employed on part-time contracts, the full-time equivalent (FTE) number increased by 105 to 5,026. Expenditure on staff accounts for approximately 67% of overall Trust expenditure, a slight increase on the previous year. A more detailed breakdown of staff numbers can be found in the table below:

Table 11.2b – 1: Full-time equivalent (FTE) staff by group

Staff Group	FTE	Percentage
Doctors and dentists	566.46	11.3%
Nursing and midwifery staff	1418.48	28.2%
Scientific, technical and therapies staff	641.46	12.8%
Other clinical staff	1386.63	27.6%
Non-clinical staff	1012.76	20.1%
Total	**5025.79**	

The following table provides details of the number of senior managers by Agenda for Change (AfC) pay band:

Table 11.2b – 2: Senior manager by Agenda for Change (AfC) pay band. Senior managers in this instance are classed as those who are not clinically-qualified and are either a member of the Executive Team or a member of staff who reports directly to a member of the Executive Team.

Senior Managers by AfC Band	Headcount	Percentage
Band 8a	1	2.94%
Band 8b	7	20.59%
Band 8c	14	41.18%
Band 8d	10	29.41%
Band 9	1	2.94%
Personal Salary	1	2.94%
Total	**34**	

The following table provides details of the composition of staff:

Table 11.2b – 3: Composition of all staff (full and part-time)

Gender	Headcount	Percentage
Female	4724	80.03%
Male	1179	19.97%
Grand Total	**5903**	

The following two tables show the composition of the Trust Board and senior staff at the end of the year:

Table 11.2b – 4: Composition of the Trust Directors

Role	Gender	Total
Chief Executive	Male	1
Director of Nursing and Quality (Interim)	Male	1
Finance Director	Male	1
Medical Director	Male	1
Chief Operating Officer	Female	1
Director of Corporate Governance	Female	1
Workforce Director	Female	1
Grand Total	**(4 male and 3 female)**	**7**

Table 11.2b – 5: Composition of senior managers

Role	Gender	Total
Senior Manager	Female	26
	Male	8
Grand Total		34

The following table provides sickness absence data for the period from 1 April 2016-31 March 2017:

Table 11.2b – 6: Sickness absence

Sickness Absence Information	
Sickness Absence %	4.04%
% Over Target Sickness of 3.99%	0.05%
Total FTE Calendar Days Lost	73,203
Average FTE Calendar Days Lost Per Employee	15
No. Ill Health Retirements	13
No. Voluntary Resignation - Health	13

Equality and Diversity

We seek to integrate Equality and Diversity into all our service provision and staff management. To help us do this we have adopted the NHS Equality Delivery System (EDS2) and the NHS Workforce Race Equality Scheme (WRES) and we publish our results and objectives on our Trust website. We continually review our processes and activities and involve a range of stakeholders in our decision-making as well as continuing to work according to our Trust Values in all that we do.

Key activities in 2016-17 have included continuation of the Prince's Trust scheme for young people, the extension of our Values-Based Recruitment and selection programmes, increased workplace-based training opportunities (including apprenticeships, volunteering etc) and sustained engagement with community-based stakeholder groups across Shropshire, Telford & Wrekin and mid Wales.

We recognise that to make effective changes in Equality and Diversity, it must form a key element of our own performance framework. The Trust is monitored on Equality and Diversity indicators and publishes an annual update to the Trust Board each year.

We recognise the value that all our staff give to the care of our patients directly and indirectly. As one of the largest employers in the Shropshire and Telford & Wrekin area, this is reflected in the Trust employing a diverse workforce that is representative of the communities we serve.

Some Key Staff Diversity Data:

- 80.03% of the workforce is female and 19.97% male, 55.5% of the Trust Board is male and 44.5% female, of the executive directors on the Board 57.14% are female and 42.86% male, and of the Trust's senior managers 76.5% are female and 23.5% male; [in 2017-18 we are undertaking a review of pay in accordance with The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 and will publish the results].
- 12% of staff identify themselves as from an ethnic minority background (compared to a local population figure in Shropshire and Telford & Wrekin of around 6.7% according to the 2011 census);
- 20% of staff are aged between 16 and 30 with 26.53% of staff aged between 41-50;
- 2% of staff identify themselves as having a disability (however 21% do not declare whether they do or do not have a disability, as it is not compulsory to declare this information to an employer).

Staff policies applied during the financial year

For giving full and fair consideration to applications for employment by the company made by disabled persons, having regard to their particular aptitudes and abilities:

The Trust is committed to the full and fair consideration of applications for employment from disabled people. Its policy, HR40 Employing People with Disabilities, reflects current practice in terms of a guaranteed interview scheme for applicants with disabilities who meet the essential criteria of the role. The Trust is continuing to review and cluster all its Human Resources (HR) policies to make them more user-friendly and, in particular, revised Recruitment and Equality & Diversity policies will be published during 2017-18. Equality Impact Assessments are carried out for each cluster of policies to ensure they reflect best practice in industry standards and take into account the current legislative requirements in relation to people with disabilities. The Trust Board is committed to the Equality Delivery System (EDS2) as a means of monitoring and reporting on its progress in all protected characteristics.

For continuing the employment of, and for arranging appropriate training for, employees of the company who have become disabled persons during the period when they were employed by the company:

For existing staff, the Trust runs an Alternative Employment Register for those who become unable to carry out their substantive contract so they can look at all the alternative posts that are available within the Trust which match their skill set, to enable them to carry on working within the Trust. Additional supportive training is also identified on a case-by-case basis where appropriate.

Otherwise for the training, career development and promotion of disabled persons employed by the Trust:

All members of staff, regardless of disability or any protected characteristic, have access to development and training opportunities through the Trust's education programmes and this is monitored and reported annually to the Board. Access to promotion opportunities is available through the nationally recognised NHS Jobs portal for advertising of jobs.

Expenditure on consultancy

The Trust's expenditure on consultancy for 2016/17 was £49,645 to Candalay Consulting Ltd (STP Consultant).

This is staff consultancy expenditure and will not match the 'Consultancy services' figure in Note 7 of the Annual Accounts in Appendix 3.

Off-payroll engagements

Since 2012/13 HM Treasury has required public sector bodies to report arrangements whereby individuals are paid through their own companies (and so are responsible for their own tax and National Insurance (NI) arrangements, not being classed as employees). The requirement remains in place and public sector bodies are also required to provide a more detailed disclosure on the length of time these engagements have been in place.

The Trust is required to disclose:

- All off-payroll engagements as of 31 March 2017, of more than £220 per day and lasting longer than six months (see Table 11.2b –7 below).
- All new off-payroll engagements between 1 April 2016 and 31 March 2017, for more than £220 per day and lasting longer than six months (see Table 11.2b – 8 below).

The Trust has strengthened its controls in this area and does not have any cases where assurances have not been received or terminations have taken place as a result of assurances not being received.

All existing off-payroll engagements have been subject to a risk based assessment as to whether assurance is required that the individual is paying the right amount of tax and, where necessary, that assurance has been sought.

Table 11.2b – 7: All off-payroll engagements as of 31 March 2017, of more than £220 per day and lasting longer than six months

For all off-payroll engagements as of 31 March 2017, for more than £220 per day and that last longer than six months:	Number
Number of existing engagements as of 31 March 2017	0
Of which, the number that have existed:	
for less than one year at the time of reporting	-
for between one and two years at the time of reporting	-
for between 2 and 3 years at the time of reporting	-
for between 3 and 4 years at the time of reporting	-
for 4 or more years at the time of reporting	-

Table 11.2b – 8: All new off-payroll engagements between 1 April 2016 and 31 March 2017, for more than £220 per day and lasting longer than six months

For all new off-payroll engagements between 1 April 2016 and 31 March 2017, for more than £220 per day and that last for longer than six months	Number
Number of new engagements between 1 April 2016 and 31 March 2017	0
Number of new engagements which include contractual clauses giving the Shrewsbury and Telford Hospital NHS Trust the right to request assurance in relation to income tax and National Insurance obligations	-
Number for whom assurance has been requested	-
Of which:	-
assurance has been received	-
assurance has not been received	-
engagements terminated as a result of assurance not being received, or ended before assurance received.	-

Table 11.2b – 9: Off-payroll engagements of Board members, and/or, senior officials with significant financial responsibility, between 1 April 2016 and 31 March 2017

Off-payroll engagements of Board members, and/or, senior officials with significant financial responsibility, between 1 April 2016 and 31 March 2017	Number
Number of off-payroll engagements of Board members, and/or senior officers with significant financial responsibility, during the financial year	0
Total number of individuals on-payroll and off-payroll that have been deemed Board members, and/or, senior officials with significant financial responsibility, during the financial year. This figure should include both on-payroll and off-payroll engagements.	-

Exit Packages and Severance Payments

No exit packages or severance payments were made during 2016-17. Ill health retirement costs are met by the NHS Pensions Scheme and are not considered within the Trust's Exit Packages and Severance Payments data.

Appendix 1

Quality Account 2016/17

NHS
The Shrewsbury and Telford Hospital
NHS Trust

QUALITY ACCOUNT

2016-2017

CONTENT

WELCOME FROM THE CHIEF EXECUTIVE

Welcome to the 2016-2017 Quality Account for Shrewsbury and Telford Hospital NHS Trust (SaTH). One of our major highlights during the year was the launch of our Organisational Strategy (more details of which are in the following pages of this document) which sets out how we will achieve our Vision to provide each and every one of our patients and their families with the safest and kindest care.

Our partnership with the Virginia Mason Institute in Seattle and the subsequent launch of our Transforming Care Institute (TCI) is central to the delivery of our Vision and, as a result, over this year we have made huge advances in improving the way we work to ensure that our patients receive the highest standards of care from staff that are supported to make changes for the better. Additionally, we have celebrated the work of our staff through our VIP (Values In Practice) Awards which is now an annual event supported by a monthly VIP award which is presented to say thank you to someone who has been recognised by their colleagues as going the extra mile.

This year has also seen unprecedented demand on our services through a very busy winter. What has been notable is the resilience and dedication of our staff to ensure that our patients receive safe and appropriate care as soon as possible. We work with patients and families to recognise what we do well and to understand how we can further improve the experience, quality, safety and outcomes that we offer our patients. All of us want to receive safe and kind care in our local hospitals and have the assurance that staff are working to provide the best care for us and our loved ones. This year's Quality Account reflects the progress we have made against the key indicators we identified this time last year and in order to deliver on-going improvements, the Quality Account sets areas where we feel that we need to progress.

We aim to be innovative not only in how we provide care but how we support and develop staff and to this end we are one of the first Trusts to pioneer the new national Associate Nurse Training Scheme, which will help us to ensure that we have our own staff caring for our patients, reducing our need to use agency staff

We are awaiting the outcome of our Care Quality Commission (CQC) report from the visit that took place in December 2016 which will really help us focus on the areas where we need to demonstrate improvement whilst showing where we provide a better service than we did when they last visited us.

I am delighted to introduce to you the Quality Account published by Shrewsbury and Telford Hospital NHS Trust 2016-2017 reflecting a positive year for the Trust in our drive to keeping our patients safe whilst identifying areas where we can continue to improve and develop services.

Simon Wright, Chief Executive

ABOUT THIS DOCUMENT

Under section eight of the Health Act (2009) All NHS Trusts are required to publish a Quality Account every year which must include prescribed information set out in the National Health Service (Quality Accounts) Regulations 2010, the National Health Service (Quality Accounts) Amendment Regulations 2011 and the National Health Service (quality Account) Amendment Regulations 2012. Additionally, every year, NSE England (the organisation that runs NHS services in England) requires that further specific pieces of information are included within the document.

Copies of this document are available from our website (www.sath.nhs.uk), by email from consultation@sath.nhs.uk or in writing from:

Chief Executives Office, The Shrewsbury and Telford Hospital NHS Trust, Royal Shrewsbury Hospital, Mytton Oak Road, Shrewsbury, Shropshire SY3 8XQ.

Please contact us if you would like a copy of the Quality Account in large print or in another community language for people in Shropshire, Telford and Wrekin and Mid Wales.

A glossary is provided at the end of this document to explain the main terms and abbreviations that you will see used in the document.

We welcome your feedback on our Quality Account.

We welcome your feedback on any aspect of this document, but specific questions you may wish to consider include:

- Do you think that we have selected Quality Priorities that can really make a difference to people?
- Are there actions other than those we have identified for each area that we could be doing?
- How can we involve patients, their families and carers and the wider community in the improvement of our services?
- Is there any other information you would like to see in our Quality Accounts?
- Do you have any comments about the formatting of the Quality Account?

You can let us know in a variety of ways:

By email to consultation@sath.nhs.uk – please put "Quality Account" as the subject of your email
By fax to 01743 261489 – please put "Quality Account" as the subject of your fax

By post to:
Quality Account
c/o Director of Nursing and Quality
The Shrewsbury and Telford Hospital NHS Trust
Royal Shrewsbury Hospital
Mytton Oak Road
Shrewsbury
SY3 8XQ

WHO ARE WE AND WHAT WE DO

The Shrewsbury and Telford Hospital NHS Trust (SaTH) is the main provider of acute hospital services for around half a million people in Shropshire, Telford and Wrekin and mid Wales.

Our main service locations are the Princess Royal Hospital (PRH) in Telford and the Royal Shrewsbury Hospital (RSH) in Shrewsbury which together provide 99% of our activity. Both hospitals provide a wide range of acute hospital services including accident and emergency, outpatients, diagnostics, inpatient medical care and critical care.

During 2012/2013 PRH became our main specialist centre for inpatient head and neck surgery with the establishment of a new Head and Neck ward and enhanced outpatient facilities. During 2013/2014 it became our main centre for inpatient women and children's services following the opening of the Shropshire Women and Children's Centre in September 2014.

During 2012/13, RSH became our main specialist centre for acute surgery with a new Surgical Assessment Unit, Surgical Short Stay Unit and Ambulatory Care facilities.

Alongside our services at PRH and RSH we also provide community and outreach services such as:

- Consultant-led outreach clinics (including the Wrekin Community Clinic at Euston House in
- Telford)
- Midwife Led Units at Ludlow, Bridgnorth and Oswestry
- Renal dialysis outreach services at Ludlow Hospital
- Community services including midwifery, audiology and therapies

We employ almost 6000 staff, and hundreds of staff and students from other organisations also work in our hospitals. We benefit from around 1,000 volunteers working at the Trust and at our main charitable partners (the Leagues of Friends of both our hospitals and the Lingen Davies Cancer Appeal).

With a turnover in the region of £350 million in 2016/2017 we saw 64,153 elective and day case spells; 55,198 non elective inpatient spells; 6,497 maternity admissions; 411,657 consultant-led outpatient appointments and 119,906 accident and emergency attendances. More information about our activity may be found in the Trust's Annual Report.

In 2015 we began an exciting partnership with the Virginia Mason Institute in Seattle as part of our journey of improvement with our aspiration being to provide the safest and kindest care in the NHS. This has continued into 2016 with the launch of the Trust's own Transforming Care Institute, which is leading the improvement work learnt in the USA.



OUR STRATEGY AND VALUES

During 2013 we worked with our staff and patients to develop a framework of Values to drive our vision for integrated, patient-centred care. These Values are:

- Proud to **Care**
- Make it **Happen**
- We Value **Respect**
- Together we **Achieve**

Our Values were shaped by our staff and patients to ensure we got them right. Our Values are not just words on a page; they represent what we are about here at SaTH. They represent the behaviours and attitudes that we expect each of our staff to display when they are at work and representing our organisation. Since they were launched, we have continued to embed them throughout the Trust.

The response of staff in the 2016 NHS Staff Survey shows that 99% of our staff know our Trust Values and, pleasingly, there has been a 9% increase in staff saying that they are seeing these Values put into practice in the workplace.

Our Organisational Strategy sets out how we will build on our achievements to deliver a transformation in our own organisation on our journey to provide the safest and kindest care in the NHS. Our values will remain our foundation as they underpin everything that we do.

The Trust is committed to becoming an integrated healthcare provider. We will work in partnership to achieve the healthiest half a million population on the planet, by helping people to age well, putting our patients first and delivering efficient, safe, kind and reliable services. We aim to be exemplary, encouraging innovation and change, supporting the development of inspirational leaders who deliver our vision and we will listen, engage and partner with patients and families at all levels to make this happen.

Organisational Strategy

OUR PARTNERS IN CARE

The majority of our patients and communities live in three local authority areas:

- Shropshire Council (unitary county authority, Conservative led administration)
- Telford and Wrekin Council (unitary borough authority, Labour led administration)
- Powys County Council (unitary county authority, Independent led administration). Our catchment area predominantly covers the former county of Montgomeryshire which comprises the northern part of Powys.

Local NHS commissioning organisations have the same boundaries as our local authorities and are:

- Shropshire Clinical Commissioning Group
- Telford and Wrekin Clinical Commissioning Group
- Powys Teaching Health Board

Specialised commissioning is undertaken through NHS England (Shropshire and Staffordshire Area Team) and Welsh Health Specialised Services Commissioning.

We work in partnership with a wide range of organisations for the delivery and planning of health services. The main statutory bodies include:

- Local Authorities (see above)
- NHS Commissioning Bodies (see above)
- Primary care services
- Other providers of health and care services for Shropshire, Telford and Wrekin and mid Wales
- Robert Jones and Agnes Hunt Orthopaedic Hospital NHS Foundation Trust (specialist orthopaedic hospital)
- Shropshire Community Health NHS Trust (community services)
- South Staffordshire and Shropshire Healthcare NHS Foundation Trust (specialist mental health and learning disabilities)
- West Midlands Ambulance Service NHS Foundation Trust (ambulance and patient transport)
- Welsh Ambulance Services NHS Trust (ambulance and patient transport)

The main statutory bodies to represent the public interest in health services include:

- Health Overview and Scrutiny Committees for Shropshire Council and Telford and Wrekin
- Councils
- Local Healthwatch bodies for Shropshire and Telford and Wrekin
- Powys Community Health Council

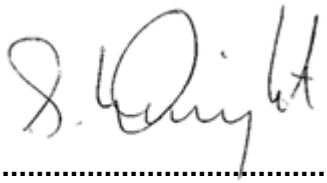



STATEMENT OF DIRECTORS RESPONSIBILITIES

Directors are required under the Health Act 2009 to prepare a Quality Account for each financial year. In preparing the Quality Account, directors are required to take steps to satisfy themselves that:

- The Quality Account presents a balanced picture of the Trust's performance over the period covered
- The performance information reported in the Quality Account is reliable and accurate
- There are proper internal controls over the collection and reporting of the measures of performance included in the Quality Account and these controls are subject to review to confirm that they are working effectively in practice
- The data underpinning the measures of performance reported in the Quality Account is robust and reliable, conforms to specified data quality standards and prescribed definitions and is subject to appropriate scrutiny and review
- The Quality Account has been prepared in accordance with Department of Health guidance

The Directors confirm to the best of their knowledge and belief they have complied with the above requirements in preparing the Quality Account.



Signature .....

Date **30-Jun-2017** .....

OUR COMMITMENT TO QUALITY

Section one: Update on the Quality Priorities we set for 2016-2017:

In last year's Quality Account we outlined three strategic quality priorities. These were developed following engagement with our stakeholders, patient experience and involvement members and health and commissioning partners. For each priority we have provided a summary outlining the progress made so far.

What is important is that these priorities are not only for one year – they are usually based on existing work and will continue into the future. Therefore we have said what we are going to be doing for the year ahead even where we have fully achieved what we said we would do in 2016-2017.

Priority 1 - Implementation of Exemplar Programme

Why was this a priority for us?
We all want to provide excellent care all the time. We want to ensure that patients are central to our improvement work in ensuring that essential standards of care and best practice is shared throughout hospitals. This programme is a vital way of providing assurance to our patients and their families, our board and our colleagues across the local health economy and beyond that we are committed to the continuous improvement of our services.

What did we say we would do?
We said that we would develop a ward accreditation approach for all wards across SaTH. The Exemplar philosophy is to deliver excellence in the quality of care all day, every day for every patient at all times.

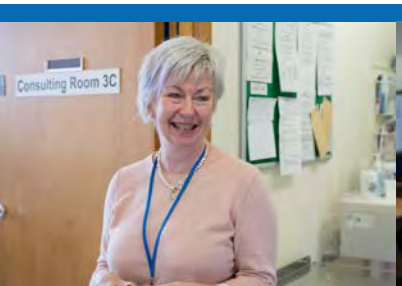
What have we done so far?
We have partially achieved this ambitious priority which will continue to be central to our quality ambitions going forward. However, in October 2016 we implemented RaTE, which is a real time experience electronic survey tool. This tool enables the majority of our wards to complete monthly quality self assessments and patient experience surveys. Maternity and Paediatric areas needed specific questions to be designed for them and so will start using RaTE in 2017.

By carrying out this kind of assessment we have been able to spend less time completing individual audits which in turn means we have more time to focus on caring for our patients.

Crucially, we will use the results from RaTE when we carry out an Exemplar assessment of a ward. These assessments will be based on the eleven core quality standards which we think are really important: leadership, environment, documentation, tissue viability, falls, nutrition and hydration, professional standards, care and compassion, communication, medicines management, infection, prevention and control.

During 2016-2017 the following key milestones have been achieved:

- Stakeholder event where over 100 staff attended
- Exemplar policy to depict process
- Handbooks for staff and assessors
- Presentations at Nursing and Midwifery Forum and Clinical Governance Executive
- Identified Early implementation sites
- Recruitment of staff and patient representatives to be part of the assessment teams
  Publicity campaign for public and staff to raise awareness and promote engagement





Next steps
One ward will be an early implementation site and will enter the programme from May 2017. This ward is fundamental to the programme and full Trust roll out across all care groups will commence in July 2017.

During 2017-2018 we will implement Exemplar in earnest and will measure how successful we have been with this in the following ways:

- The number of wards that submit to be assessed based on meeting the requirements of intelligence monitoring including RaTE self-assessment scores over a three month period, quality indicators including medicines audits, health and safety factors and results of environmental inspections and workforce metrics such as staff training and appraisal rates

- The results of the Exemplar Programme Assessments which will result in wards being awarded Silver, Gold or Diamond accreditation

- An upward trend in performance measured against quality indicators as wards prepare to meet Exemplar requirements which we monitor through our detailed quality dashboard

- We aim to have at least nine wards complete the programme in the first year (by May 2018) and will plan to increase the number per year following this initial roll out so that all wards have completed the process within three years

We will ensure that we provide details in next year's Quality Account about how we are progressing with this important programme which will contribute towards our Trust Vision.

Priority two: Developing our culture of openness

Why was this a priority for us?
We recognised that the contribution and voice of our staff helps us make a difference and improve the care and safety of our patients. Last year we said that we knew that we had to raise awareness amongst staff and instil confidence that concerns will be listened to and addressed making sure that this is a great place to work.

What did we aim to achieve?
We said that we would introduce values guardians to act as speak up champions for our staff, enabling them an alternative reporting route other than their line manager. This will ensure that the voice of our staff is heard at a senior level, providing feedback to ensure a constant opportunity for improvement through learning.

How have we done?
We have fully achieved what we said we would do during 2016-2017 but we are really committed to continuing the work to really embed our Values into the organisation. Examples of how we do this include:

Embedding our values throughout the employment life cycle will support our objective to be a values driven organisation which supports us to achieve high levels of staff engagement. Evidence demonstrates that improved employment experience enables an improved patient experience

Values based recruitment - we are seeking to ensure that our values will be reflected in the day to day care we provide. Our process helps to ensure that our people demonstrate a values set that aligns, are therefore a 'better fit' and will help us to become the safest and kindest

Our Induction programme will maintain a focus on our Trust values throughout. This will support our new people inducted into the Trust to gain a comprehensive understanding that our values touch everything we do.

Values based conversation training will embed the technique for having conversations with staff on values, behaviours and attitude

Recognising and acknowledging our peoples individual or team's behaviour, effort and accomplishments is essential in supporting delivery of our organisational goals and values. Evidence shows that when our people

see that their work is valued, their engagement and productivity will rise, and they will be more likely to be motivated to maintain or improve their good work. Recognition will not be a one-size-fits all but sits under our Values in Practice (VIP). This includes:

- Monthly Care Group VIP winner will be celebrated within the Care Groups.
- Trust wide monthly VIP winner celebrated at Trust Board
- Annual VIP awards celebration
- Our people will expect to give and receive feedback as a matter of routine

Our health and wellbeing programme, 'A Healthier You' for staff has been running since 2013. The aim of the programme was to encourage and support staff to develop and maintain a healthy lifestyle to improve their physical and emotional wellbeing in fun and enjoyable ways. The project has improved staff health, reduced sickness and improved staff satisfaction. All scores within the Health and wellbeing section of the NHS Staff survey are either average or above average when compared to the rest of the acute sector.

Our staff have the opportunity to give feedback on areas of focus within the survey and also through the Trust Health and wellbeing Champions. We are also able to utilise the data captured through our health ki-osks to understand in more detail the health behaviours of staff and this gives us the opportunity to prioritise activities for the programme.

In addition:

- Attendance and impact information is collected for the staff physiotherapy service
- Sickness data is regularly reviewed by Workforce committee as a subcommittee of the board.
- Attendance figures for activities are kept

Since April 2016 we have had the following results:

- 1144 health checks have been completed
- 500 staff members have been seen by the Staff Physiotherapy Occupational Service
- 600 staff are accessing free eye tests
- 60 teams took part in pedometer challenges and walked over a million steps
- 200 members of staff took part in the 'Harrys Potter Walk', covering 18 miles
- 110 bikes have been purchased through the Cycle2Work Salary Sacrifice scheme
- 20 bikes have been fixed through their 'Dr Bike' sessions
- Over 2000 attendances at fitness classes
- 40 staff have been supported with mindfulness training
- 88 staff participated in Workplace Challenge
- Two green gyms accessible to staff and the public
- We now have 20 health and wellbeing champions from diverse staff groups
- We are committed to developing the leaders within the organisation through recognising when a member of staff has the potential to be a leader and to provide a structured support process through our Leadership Academy

Our Organisational Strategy clearly highlights the importance of our leaders in delivering the vision and mission of the organisation

We know that leadership roles at all levels can be challenging and are often not easy. As the most senior leaders of this organisation, we agreed that we need to move towards collective leadership that fosters engagement and nurtures and develops everyone's talents. We know from all the evidence that if we get this right, our staff will be enabled to take the best possible care of our patients and provide the safest and kindest care.

Our leadership framework will help us drive toward leadership that's "fit for purpose" to help us provide the:

- Safest and Kindest care
- Success in our transformation work
- Joy and meaning in work for all our people, our leaders and all of our staff

We have a leadership framework that articulates the four leadership requirements in SaTH which spans performance management/assurance, skills development, behaviours and tone setting. In addition we have worked with our leaders to define our Vision into practice agreement which demonstrates the commitment to a consistent set of behaviour and actions required to be a leader in SaTH

We have commenced a programme of work with Aston Organisational Development to improve team effectiveness as we recognise the significant evidence base that demonstrates high levels of staff involvement/engagement are the single biggest predictor of success. **Research shows:**

- Reduced hospitalisation and costs
- Increased effectiveness and innovation
- Increased well-being of Team Members
- Inter-disciplinary teams deliver higher quality patient care and implement more innovations
- Lower patient mortality
- Reduced error rates
- Reduced turnover and sickness absence
- Increased staff engagement

Our Team based working programmes aims to ensure that every individual is located in a 'real team' which has clear objectives aligned to organisational aims and which is functioning effectively to achieve individual, team and organisational goals

We know that staff engagement is the best overall predictor of trust outcomes such as care quality, financial performance, patient mortality (in the acute sector), patient satisfaction and staff absenteeism. We will therefore measure improvement based on the results of our National Staff Survey overall engagement score and improvements in specific key findings (KF) 28-31 Errors/incidents and KF 32- patient experience. The Trust has appointed two Values Guardians to encourage a culture of openness and the 'Freedom to Speak Up'. Values Guardians act in an independent capacity to support and help drive the Trust to make it a safer place for patients and staff and a more open place to work.

They offer support and advice to those that want to raise concerns to ensure that any safety issue is addressed and feedback is given to the member of staff who raised it.

Values Guardians ensure that there are no repercussions for those that have raised the concern either immediately or in the long-term. If staff do not want their identity to be known, they can contact the Values Guardians via an Anonymous Dialogue System.

Priority three: Improving nutrition and hydration care for our patients

Why was this a priority for us?
Malnutrition and dehydration are a risk to hospitalised patients especially for those who are vulnerable such as those with dementia or the frail and elderly. As well as leading to delays in recovery, it can also be associated with increased mortality rates, hospital admissions and the development of comorbidities such as impaired cognitive function, falls, poor control of diabetes and hyperthermia.

What did we aim to achieve?
We have partially achieved this priority during 2016-2017. We said that we aimed to improve food and drink standards in both hospitals including the quality of food and drink across our hospitals so that everyone has a healthier food experience and everyone involved in its production is properly trained and valued. We have put some actions into place and will continue to do so over the coming year.

How have we done?
We have produced a Nutritional and Hydration strategy which will provide our staff with a plan for improvement over the next 12 months.

We have introduced a new Fluid Balance Chart (which is the form our staff use to monitor how much people take in and pass out) and to go with it education and training to ensure it is used correctly at all times.

We have revised the Protected Mealtime Policy which was re launched in May 2017 and we are measuring how well it is being used to ensure that patients are able to eat their meals undisturbed. A business case for a Nutritional Team is being developed which will support the care and management of patents with enteral and parental feeding.

There has been a drive to reduce sugary foods such as high sugared snacks being available across the NHS. These snacks are being replacing with more healthy options, sugary drinks are being removed from vending machines and we have introduced healthy wrap flatbread in our catering outlet at PRH.

Over the coming year we will measure how successful we have been with implementing our new strategy and initiatives such as protected mealtimes through our RaTE surveys and Exemplar ward programme. We will also prepare a case for the employment of a Specialist Nutrition Nurse to coordinate and lead the development of a nutrition service

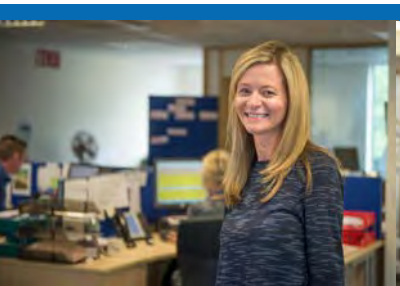
Section two: Looking forward to our Priorities for Quality Improvement for 2017-2018

The Quality Account aims to provide assurance to the people who use the services of the Trust that we provide care that is responsive, effective, well led and safe. One of the ways that we do this is to identify some priorities that we really want to concentrate on in the coming year. The priorities are identified through discussion with our Patient Experience and Involvement Panel as well as our staff and members of our partner organisations.

We have made sure that the Quality Priorities reflect our operational plan for the coming year as well as our values and strategic objectives.

Finally we have mapped our Quality Priorities against those in the NHS Outcomes Framework for 2016-2017. This framework sets out the national outcome goals that the Secretary of State uses to monitor the progress of NHS England.

One message that has been received from our patients, their families and their carers is that we need to work together with our partners in care to ensure that issues that occur across all organisations are addressed




Priority one: Making sure that people are safely discharged from our hospitals

NHS Outcomes Framework Domain 5: Treating and caring for people in a safe environment and protecting them from avoidable harm	
Strategic Priority: To reduce harm, deliver best clinical outcomes and improve patient experience	
Why is this a priority for us? We know that leaving hospital after a period of ill health, whilst a happy time can also be a period of anxiety for patients, their families and their carers. We need to make sure that when we discharge people from our services we do so in a way that means that they are confident they have everything they need to continue their treatment or recovery. We will make sure that we prepare people correctly before they go home – for example teaching them about new medication or ensuring that they can dress themselves or make a cup of tea safely We want to make sure that we liaise correctly with other care providers so that people's needs are met when they go home and that they do not come to any harm because we have not done so We want to make sure that people have as positive an experience as possible whilst in our care whether as an inpatient or when receiving outpatient treatment	**What will success look like?** Patients will know what their expected date of discharge is so that they and their families have time to plan for them going home We will routinely use the principles of "Red to Green" (R2G) to ensure that we do not keep people waiting to go home unnecessarily. This is a way of seeing really quickly if we are doing all the things we need to do in a timely way to make sure people do not stay in hospital longer than they have to. We will make sure that everything they need is ready for them, including medication, information and equipment which is part of the R2G work. Where necessary we will speak to other providers (such as district nurses) who may be supporting people at home to make sure that they are ready We will reduce the number of complaints that we get about discharge processes. Less people will come back into hospital because something went wrong with the discharge process Finally we aim to reduce the number of times we have to have extra beds on our wards at times of high escalation which can lead to reduced patient safety and experience. We will measure our progress through our Datix incident reporting system which we use to monitor both incidents and complaints. We will also measure our progress through feedback from our patients and their families—whether we got it right for them and if not, why not. We will measure how long people stay in with us and whether we could improve this for them by making sure we do everything we can to get them home safely at the right time. As part of this we will work closely with our colleagues in Shropshire Community Health NHS Trust and in the local authorities and CCGs.
How will we monitor our progress: We will report regularly (at least quarterly) on the measures we have described above to our Quality and Safety Committee which reports directly in to the Board.	

Priority two: Making it possible for people to tell us their stories to help us improve their care

NHS Outcomes Framework Domain 4: Ensuring people have a positive experience of care	
Strategic Priority: Embed a customer focussed approach and improve relationships through stakeholder engagement strategies	
Why is this a priority for us? We have used feedback in the form of patient stories for some time at our Trust Board meetings. We think that we can do more to capture the views of people or their families that have used our services, not only when things have gone well but where they think their feedback will show us where we can improve. Patient stories are just one way of patients, their families and carers telling us what they think of their experience of our services but it is one that we will concentrate on this year to further develop this valuable feedback method. We will continue to ask people about their experience of our services through local surveys, the Friends and Family Test and through our Complaints and PALS service.	**What will success look like?** We will have a variety of methods to capture patient stories – for example by video, in person, in writing and through feedback to our partners. We will make sure that if someone wishes to provide feedback we will work with them to do this in the best way for them We will ensure that if a patient story is presented to a group of people such as the Trust Board that we will show how we have made changes or have actions to carry out as a result of that feedback so that we can really demonstrate a difference that the feedback has made We will work with a variety of other groups such as Healthwatch or the Young Health Champions to make sure that people who sometimes do not get their voices heard are able to do so
How will we monitor our progress: We will work closely with our local partners and also our Patient Experience and Involvement Panel to progress this priority and will monitor this through the panel meetings and then to Quality and Safety Committee and the Trust Board	

Priority Three: Implementation of the Values Based Leadership and Cultural Development plan in the Women's and Children's Care Group

NHS Outcomes Framework Domain 5: Treating and caring for people in a safe environment and protecting them from avoidable harm	
Strategic Priority: Through our People Strategy develop, support and engage with our workforce to make our organisation a great place to work	
Why is this a priority for us? We want to make the women and children's care group the safest, kindest and most caring that we can. In order to do this we are developing a plan to implement Values-Based leadership and further develop the culture of continuous learning that already exists. We recognise that valued and supported staff who work in an environment of continuous learning and challenge will nurture a culture of openness, caring and compassion. Our plan is to develop a values based culture across our organisation so whilst this priority is specifically about the Women's and Children's Care Group the actions will also be relevant for the other services in the Trust. The work will focus on organisational support to develop the Care Group Vision and Strategy, understand how the Trust values come to life in practice and provide the opportunity for staff to self-reflect and promote change through self-knowledge and understanding as individual leaders.	**What will success look like?** We will use staff feedback (such as the NHS staff survey, drop in sessions and through relationships with their representatives) to show where we need to improve to provide a better experience for our staff and to measure improvement. We will see a reduction in complaints and PALs enquiries particularly in relation to communication, care and compassion. We will also help and support our staff to make changes where they need to. We will evidence that the requirements of the Duty of Candour will be met in 100% of incidents that require it to be met
How will we monitor our progress: Our Workforce Committee and through them the Board receives regular reports into our culture development work.	

Section three: Quality at the Heart of the Organisation

This section of the Quality Account will show how we measure our day to day work in order to meet the requirements and standards that we aspire to and how we evaluate that the care that we provide is of the highest standard. Much of the wording of the statements in this section of the Quality Account is mandated by the NHS (Quality Accounts) Regulations.

Transforming Care Production System – Transforming Care Institute in partnership with VMI

Background:

SaTH is one of five Trusts nationally to be supported by Virginia Mason Institute (VMI), NHS England (NHSE), and the NHS Institute (NHSI), on an accelerated transformation journey. The support includes the five year programme of coaching, teaching and sensei visits to embed one improvement methodology 'Transforming Care Production System', and provide the necessary knowledge, skills and most importantly the culture to enable all our staff to generate and implement ideas to improve patient safety.

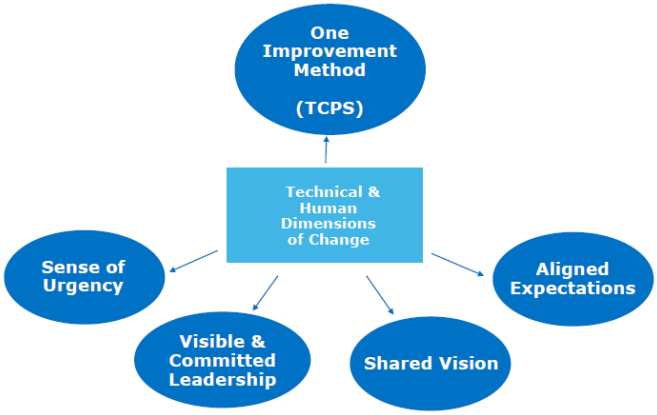


Fig 1: Requirement for Transformation: One Improvement

Value Streams

Four value streams for improvement are well established with value stream sponsor teams steering their work. These sponsor teams are led by an Executive or Member of the Guiding Team.

Value Stream #1: Discharge Pathway for Respiratory Patients

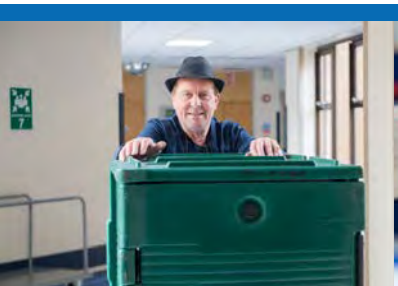
Improvements

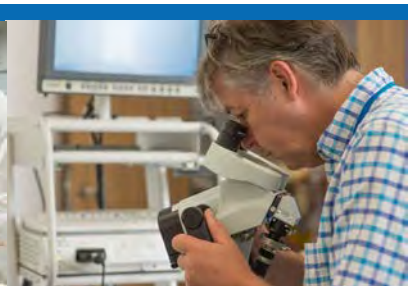
- **13** different quality improvements made and sustained to the respiratory discharge process. Including
- **32** non value adding hours removed from respiratory discharge process (per patient)
- **1357** clinical steps removed from the respiratory discharge process (per patient)

Value Stream #2: Care of the Sepsis Patient

Improvements

- **8** quality improvements made within the sepsis pathway including use of screening tools, Sepsis trolley and reduction in late observations
- **11 ½** hours of non-value adding time removed from screening for sepsis , diagnosis of sepsis and delivery of sepsis bundle pathway (single patient pathways)
- **488** steps no longer required to collect equipment (single patient episodes)



Value Stream #3: Recruitment

Improvements

- Reduce the length of time from approval to vacancy being advertised
- Reduce the length of time from interview to confirmation letter being sent to candidate
- Reduce temporary staff usage (agency/bank)
- Reduce the number of failed recruitment appointments due to delays
- Improve the successful candidates recruitment experience

Value Stream #4 Outpatient Clinics - Ophthalmology

Improvements

- **52 day reduction** in the time from receipt of referral until first contact is made with patient
- **47% reduction** in the number of times letters are delayed due to requesting a letter after the deadline for electronic transfer to next process
- **100% reduction** in the number of Booking staff unaware of overall process for sending patient letters (Process = from referral arriving at SATH, to patient arriving in clinic)

Engagement

We are delighted to see that the engagement of our staff has taken us to nearly 2000 staff having the first building blocks of education to effectively use the methodology. We have seen some lovely examples of how these simple tools with the management and philosophy, supporting them, can achieve improvements such as: the reduction in the time taken to prepare patients for physiotherapy treatment and a 56% improvement in the number of patients who do not have the necessary personal items required for therapy treatment.

Education

Forty SATH leaders undertook 'Lean 4 Leaders' training in 2016 leading to many improvements in patient experience. One Ward manager has released eighthours a week back to direct nursing care by reducing the walking (waste of motion) required during the admission procedure on the day case ward.

Nurse Associate Training

The need to reduce our reliance on agency staff remains a high priority for us and our proactive drive on recruitment continues. This year the Trust was delighted to be invited to pilot the new national role of the Nurse Associate in partnership with Wolverhampton University; this role will expand our Nursing workforce with a new level of Registered Nurse. Eight Trainee Nurse Associates began their two year course with us in 2016 and we will recruit again for the next cohort in 2017. We will continue to recruit and train Nurses, Midwives and Healthcare professionals alongside our healthcare support staff to ensure we maintain a stable workforce and encourage staff from outside the county to join us.

Reviews of our services this year

We welcome reviews of our services as they enable us to measure how we are doing with similar services and help us to identify how we can improve against national standards. The following internal and external reviews took place between April 2016 and March 2017:

Service	Review
Endoscopy Units RSH and PRH	The endoscopy departments across the Trust completed their Joint Advisory Group (JAG) Accreditation return in September 2016. JAG Accreditation requires notification every six months of adherence to standards covering safety, quality, training, workforce and customer care. The timeliness standards were not met, resulting in JAG accreditation being withdrawn. The Endoscopy Unit was reassessed in 2017 and was successful in regaining accreditation with extremely positive comments from the assessors in relation to the safety culture within the unit.
Deloitte Audit - Policies and procedures in maternity	The scope of the audit was to evaluate the maternity complaints process. One high priority recommendation was made that the Trust should ensure that there is sufficient training available for staff, and the Care Group should have a record of which staff are RCA trained
Network review - neonatal services in relation to babies less than 27 weeks	This external review was commissioned by NHS England following concerns raised by Neonatal Clinicians at SaTH. The concerns were in relation to alleged poor outcomes of eight babies born at 27 weeks gestation or earlier transferred ex-utero from SaTH to the neonatal intensive care unit (NICU) at University Hospital of North Midlands NHS Trust (UHNM) between 1 April 2014 and 21 September 2015. This review has highlighted areas for improvement in terms of adherence to care pathways for both SaTH and UHNM.
IQIPS accreditation - Audiology	SaTH Audiology Services continues to provide a good standard of service that meets the Improving Quality in Physiological Services (IQPS) standard requirements. Evidence reviewed confirms that further service development has occurred as part of the IQIPS process. The assessment team felt that the documentation submitted as evidence confirm that SaTH Audiology Services continue to provide a good service to patients, staff and referrers. The service was commended for actioning and attempting to embed the recommended findings raised by the assessment team via previous assessments as enhancements to the service
Trauma Unit Peer Review	The Trust participated in the Trauma Unit Peer Review process and it was noted that SaTH is non-compliant with two standards: there is no cover on Saturdays for a trauma list and the Trust did not meet the standard for access to a rehabilitation specialist as it does not have access to a Consultant in Rehabilitation Medicine or any ongoing rehabilitation.
Screening Quality Assurance visit Shropshire NHS Diabetic Eye Screening Programme	The Quality Assurance visit team did not identify any immediate concerns but made some high priority findings. In addition several areas of good practice were highlighted.
Midlands and East Screening Quality Assurance Service Shropshire Bowel Cancer Screening Centre	The Trust is participated in the Quality Assurance visit and any improvements will be implemented following receipt of the report.

During 2016-2017 the Shrewsbury and Telford Hospital NHS Trust provided and/or subcontracted the full range of services for which it is registered (these are detailed in our Annual Report and via our web site).

The Trust supported a number of reviews of its services and has reviewed all of the data available for the quality of care in all our services

The income generated by the services that were reviewed represents 100% of the total income generated from the provision of NHS services by the Trust.

Registration with the Care Quality Commission (CQC)

Shrewsbury and Telford Hospital NHS Trust is registered with the CQC. The current registration status is "Registered without restrictions".

The CQC did not take out Enforcement Action against the Trust during the reporting period

The CQC carried out a planned inspection of our services in December 2016. This inspection was to review how we had progressed since the previous inspection the CQC carried out in 2014 particularly against the areas where they felt we most needed to improve.

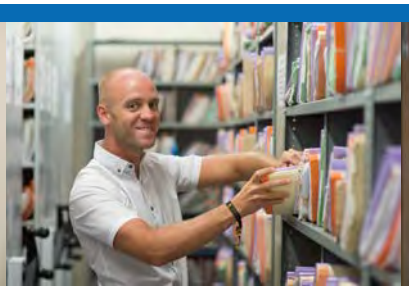
In addition to the planned inspection, three unannounced visits occurred on 01st November 2016, 30th December 2016 and 3rd January 2017. The team of 36 inspectors visited a range of wards and departments at both hospitals. They also inspected Shrewsbury, Wrekin, Ludlow, Bridgnorth and Oswestry Midwifery Led Units.

The inspection team inspected the following core services:

- Urgent and Emergency care
- Medicine
- Surgery
- Maternity and Gynaecology services
- End of life care

Early feedback indicates that the Trust has made improvements in some areas since their earlier inspection in 2014. The overall findings of the 2014 inspection are shown below but if you would like to see the specific findings of our services the report may be found on our website






Participation in Clinical Audit

Clinical Audit is a method of improving our services by measuring what we do against national standards to see if we comply with them. If we find that we do not, then we put in actions to address shortfalls and then measure again. This is what is called the audit cycle. There are two main types of audit that we participate in:

National Clinical Audit and the Patient Outcome Programme (NCAPOP)

The management of NCAPOP is subcontracted to the Healthcare Quality Improvement Partnership (HQIP) by the Department of Health. Every year HQIP publish an annual clinical audit programme which organisations review and ensure that they contribute to those audits that are relevant to their services.

During 2016-2017 there were 61 national clinical audits and 14 national confidential enquiries that covered NHS services that Shrewsbury and Telford Hospital NHS Trust provides.

During that period Shrewsbury and Telford Hospital NHS Trust participated in 51 national clinical audits and 14 national confidential enquiries in which it was eligible to participate.

The reports of 23 national clinical audits were reviewed by the provider in 2016-2017 and Shrewsbury and Telford Hospital NHS Trust intends to take the following actions to improve the quality of healthcare provided (examples):

National Cancer Patient Experience Survey 2016:

- Holistic Assessment clinics within the Head and Neck service are up and running
- We are monitoring and acting upon feedback about this service

Emergency Use of Oxygen:

- A regular slot at Junior Doctors induction to raise awareness of oxygen administration protocols has been arranged

End of Life Care Audit – Dying in Hospital:

	National Clinical Audit or Confidential Enquiry	Number Submitted	% of total required
1	6th National Audit Project of the Royal College of Anaesthetists - Perioperative Anaphylaxis in the UK	0	No relevant cases identified
2	Acute coronary syndrome or Acute myocardial infarction (MINAP)	713	100%
3	Adult Asthma (BTS)	10	100%
4	BAUS Urology Audit : Cystectomy	11	100%
5	BAUS Urology Audit : Nephrectomy audit	68	61%
6	BAUS Urology Audit : Percutaneous Nephrolithotomy (PCNL)	20	100%
7	Bowel cancer (NBOCAP)	388	100% for 2014/15
8	BAUS Urology Audit : Radical Prostatectomy Audit	92	96.8%
9	Breast and Cosmetic Implant Registry (BCIR)		Currently submitting data
10	Cancer Patient Experience Survey 2016 (National)	1794	72% response rate
11	Cardiac Rhythm Management Audit (CRM)	477	100%
12	Case Mix Programme (CMP) - ICNARC	442	100%
13	Child Health Clinical Outcome Review Programme / NCEPOD - Chronic Neurodisability		Currently submitting data
14	Child Health Clinical Outcome Review Programme / NCEPOD - Young People's Mental Health		Currently submitting data
15	Consultant sign-off in the A&E Department	668	100%
16	Diabetes (Paediatric) (NPDA)	291	100%
17	Elective surgery (National Proms Programme)	828	85%
18	Emergency use of oxygen (BTS)	58	100%
19	End of Life Care Audit: Dying in Hospital	81	100%
20	Endocrine and Thyroid National Audit		
21	Falls and Fragility Fractures Audit Programme (FFFAP) - National Hip Fracture Database (NHFD)		Currently submitting data
22	Head & Neck cancer (Saving Faces)	247	

23	Heart Failure (Heart Failure Audit)		
24	Inflammatory bowel disease (IBD) programme	8	
25	Major Trauma Audit (TARN)	597	100%
26	Maternal, Newborn and Infant Clinical Outcome Review Programme - National surveillance and confidential enquiries into maternal deaths		Currently submitting data
27	Maternal, Newborn and Infant Clinical Outcome Review Programme - Confidential enquiry into stillbirths, neonatal deaths and serious neonatal morbidity		Currently submitting data
28	Maternal, Newborn and Infant Clinical Outcome Review Programme - Confidential enquiry into serious maternal morbidity		Currently submitting data
29	Maternal, Newborn and Infant Clinical Outcome Review Programme - National surveillance of perinatal deaths		Currently submitting data
30	Maternal, Newborn and Infant Clinical Outcome Review Programme - Perinatal Mortality Surveillance		Currently submitting data
31	Maternal, Newborn and Infant Clinical Outcome Review Programme - Perinatal mortality and morbidity confidential enquiries (term intrapartum related neonatal deaths)		Currently submitting data
32	Maternal, Newborn and Infant Clinical Outcome Review Programme - Maternal morbidity and mortality confidential enquiries (cardiac (plus cardiac morbidity) early pregnancy deaths and pre-eclampsia)		Currently submitting data
33	Maternal, Newborn and Infant Clinical Outcome Review Programme - Maternal mortality surveillance		Currently submitting data
34	Medical and Surgical Clinical Outcome Review Programme (NCEPOD) - Cancer in Children, Teens and Young Adults	0	No eligible cases identified
35	Medical and Surgical Clinical Outcome Review Programme (NCEPOD) - Acute Pancreatitis	8	100%
36	Medical and Surgical Clinical Outcome Review Programme (NCEPOD) - Physical and mental health care of mental health patients in acute hospitals	8	80%
37	Medical and Surgical Clinical Outcome Review Programme (NCEPOD) - Non-invasive ventilation		Auditing in progress
38	Moderate & Acute Severe Asthma adult & paediatric (care in emergency departments)	200	100%
39	National A&E Survey 2016		Auditing in progress
40	National Audit of Breast Cancer in Older People (NABCOP)	388	Auditing in progress
41	National Audit of Dementia	112	100%
42	National Cardiac Arrest Audit (NCAA) – ICNARC	404	100%
43	National Children and Young People's Inpatient and Day Case Survey 2016		Auditing in progress
44	National Chronic Obstructive Pulmonary Disease (COPD) Audit Programme - Secondary Care		Auditing in progress
45	National Comparative Audit of Blood Transfusion programme - 2017 National Comparative Audit of Transfusion Associated Circulatory Overload (TACO)		Auditing in progress
46	National Comparative Audit of Blood Transfusion programme - Audit of Patient Blood Management in Scheduled Surgery	16	100%
47	National Comparative Audit of Blood Transfusion programme - Audit of the use of blood in Lower GI bleeding (audit will not be repeated)	14	100%
48	National Comparative Audit of Blood Transfusion programme - Re-audit of the 2016 audit of red cell and platelet transfusion in adult haematology patients	26	100%
49	National Complicated Diverticulitis Audit (CAD)		100%
50	National Diabetes Audit – Adults - National Diabetes Transition		To be confirmed

51	National Diabetes Audit – Adults - National Footcare Audit		100%
52	National Diabetes Audit – Adults - National Inpatient Audit (NaDIA)	101	100%
53	National Emergency Laparotomy audit (NELA)	280	100%
54	National Joint Registry (NJR) - Hip replacement	144	
55	National Joint Registry (NJR) - Knee replacement	91	
56	National Lung Cancer Audit (NLCA)	270	
57	National Maternity and Perinatal Audit (NMPA)	7707	100%
58	National Maternity Survey 2017		Auditing in progress
59	National Vascular Registry*	960	Submitted over the last five years for four consultants
60	Neonatal intensive and special care (NNAP)		2015 (2016 report) 1300 episodes & 1222 babies
61	Oesophago-gastric Cancer (NAOGC)	176	Apr-13 to Mar-15 (2016 report) : 176 cases
62	Paediatric asthma (British Thoracic Society)		Auditing in progress
63	Renal replacement therapy (Renal Registry)		Currently submitting data
64	Sentinel Stroke National Audit Programme (SSNAP)	929	100%
65	Serious Hazards of Transfusion (SHOT): UK National haemovigilance scheme	13	100%
66	Severe sepsis & septic shock - care in emergency departments	199	100%
67	Smoking Cessation BTS	310	100%

Local Audits

As well as the national audits above, we carry out many audits that our clinicians identify as being required. These are collated onto our annual Clinical Audit Programme which is structured and shows audits that we are contracted to carry out by our commissioners; audits against national guidance such as that published by the National Institute of Health and Care Excellence (NICE) and those that our clinicians identify.

The reports of 118 local clinical audits were reviewed by the provider in 2016 – 2017 and Shrewsbury and Telford NHS Trust intends to take the following actions to improve the quality of healthcare provided against all these actions:

- Sharing the learning from the audits with the relevant staff groups
- Implementing change in processes as identified within each audit
- Carry out reaudit to ensure that changes have occurred and are reflected in practice

During 2016-2017 the following local audits were carried out:

Care Group	Number of Audits
Clinical Support – Pathology and Radiology	15
Corporate – Trust wide Audits	2
Scheduled Care – Anaesthetics, Theatres and Critical Care	10
Scheduled Care – Head, Neck and Ophthalmology	7
Scheduled Care – Musculoskeletal	22
Scheduled Care – Surgery, Oncology and Haematology	31
Unscheduled Care - Medicine	9
Women's and Children's	22
TOTAL	118

Some examples of the audits that have been carried out along with the recommendations and actions as a result are shown in the table below:

Audit Title	Recommendations and Actions
CLINICAL SUPPORT - PATHOLOGY & RADIOLOGY	
Audit of Chest X-Ray (CXR) Quality 2016	To raise awareness, the results of the audit have been presented at the governance meeting Possible improvements to facilities at Whitchurch are being discussed A move to digital equipment is planned.
Wire guided localisations	Discussion points have been recorded and distributed to relevant team members A summary of the findings have been discussed at the MDT Minor changes in practice were agreed to try to reduce the number of unexpected events
CORPORATE – TRUST WIDE	
Bereavement Voices Questionnaire 2016	The results are reported to the steering group and ward managers on a regular basis. This enables the ward managers to discuss the findings and make the necessary changes in practice. End Of Life Care Training is taking place throughout 2017
Sepsis screening & treatment for Commissioning for Quality and Innovation (CQUIN) 2015	To improve screening of patients for sepsis in the A & E department, a stamp has been produced and is being used in the A&E cards

SCHEDULED - ANAESTHETICS, THEATRES & CRITICAL CARE	
Consent for blood transfusion	A transfusion care pathway has been implemented A teaching session has been incorporated into the lecture given by the blood transfusion nurse to junior doctors on consenting for blood transfusion A re-audit is planned.
Pre-operative fasting guidelines	The pre-op starvation guidelines have been updated and are now available on the intranet Ward staff were surveyed to determine their knowledge of the guidelines
SCHEDULED - HEAD, NECK AND OPHTHALMOLOGY	
Tracheoesophageal fistula valve change documentation re-audit	Regular valve clinics to be established at both sites To re-launch the use of an electronic database to record each valve change Undertake an audit of valves ordered against number of entries on database
Retro bulbar irradiation for thyroid eye disease – National Institute for Health and Care Excellence (NICE) Interventional Procedure Guidance (IPG)148	Results satisfactory, no recommendations necessary. A re-audit is planned As per NICE five year rolling programme
SCHEDULED - MSK	
National Hip Fracture Database (NHFD): How accurate are we in hip fracture classification and operative management documentation?	A hip fracture poster and National Hip Fracture Database categories poster has been distributed to the Trauma & Orthopaedic meeting room & theatre coffee room A local teaching with junior doctors and nurses responsible for National Hip Fracture Database coding has been conducted A re-audit showed huge improvement in data accuracy.
Medical record keeping in orthopaedic trauma patients; is the weight-bearing status clearly documented?	Junior doctors and physiotherapists to check clinical portal and operative report If unsure about the WB status, to liaise with the surgeon/consultant responsible for the patient. MDT meeting the best time to raise concerns Surgeon who is dictating to be specific and avoid expressions such as routine mobilisation or as pain allows. Unless there is a clear pathway that allows everyone to be on the same page A re-audit is planned
SCHEDULED - SURGERY, ONCOLOGY & HAEMATOLOGY	
Chronic myeloid leukaemia (imatinib-resistance or intolerance) – dasatinib, high-dose imatinib and nilotinib – National Institute for Health and Care Excellence (NICE) Technology Appraisal Guidance (TAG)241	All patients receive the appropriate treatment according to the guidelines A re-audit is planned as per NICE five year rolling programme
Familial Breast Cancer – National Institute for Health and Care Excellence (NICE) Clinical Guidance (CG)164	Provision of surveillance for previously affected women who continue to be at high risk will be addressed by the Breast Surgery Department Tamoxifen uptake will be audited A re-audit is planned as per NICE 5 year rolling programme
UNSCHEDULED – MEDICINE	
Casenote & Stamp Medical PRH 2015/2016	Stroke Pro-forma to have a 'plan page' similar to the medical admissions pro-forma Assign new junior FY1 doctor to include a short presentation and aide memoir for doctors joining the trust, similar to the one given out by the palliative care team Medical staffing have been sent a memo to ensure doctors receive their General Medical Council (GMC) stamps An annual re-audit has been undertaken.
IV fluid prescription	Junior doctors have been educated on the use of Dextrose saline as a maintenance fluid and improvements in fluid prescription have been evident following this
WOMEN & CHILDREN'S	
Antibiotics for early-onset neonatal infection – National Institute for Health and Care Excellence (NICE) Clinical Guidance (CG)149	Sticky labels have been introduced in the unit to document the time of decision and the time when first dose of antibiotics are given A re-audit is planned as per Trust 5-year rolling NICE audit programme.
Pregnancy (rhesus negative women) - routine anti-D (review) – National Institute for Health and Care Excellence (NICE) Technology Appraisal Guidance (TAG)156	Results satisfactory, no recommendations necessary. A re-audit is planned as per Trust 5-year rolling NICE audit programme.

PARTICIPATION IN RESEARCH

The number of patients receiving relevant health services provided or subcontracted by Shrewsbury and Telford Hospital NHS Trust in 2016-2017 that were recruited during this period to participate in research approved by a research ethics committee was 2030.

SaTH is committed to active participation in Clinical Research in order to improve the quality of care we offer our patients, and also to make a contribution to wider health improvement. In doing so our clinical staff stay abreast of the latest possible treatment regimens and active participation in research provides the evidence base for improving care and health outcomes. It crosses all clinical services and our research team provide the essential infrastructure for all specialties to have the opportunity to offer their patients appropriate participation.

We work closely with the West Midlands Clinical Research Network (CRN) to ensure a culture of Research and Innovation is embedded within the Trust.

For the year 2015 -2016 the Trust was featured in the National Institute of Health Research (NIHR) League table in 75th place for the total number of participants recruited into clinical trials and 57th place for the total number of recruiting clinical trials, which is an improvement of 33.1% and 15% respectively from the 2014-15 period.

2016 has brought several challenges in terms of meeting our patient recruitment figure, the introduction of the new Health Research Authority (HRA) approval process change which has significantly delayed the start-up of studies nationally, a funding cut from the CRN which has impacted our resources and support from pharmacy. Despite these challenges we are on target to achieve our patient figure at the end of the March 2017.

The number of actively recruiting Principal Investigators has increased from 42 to 61 with more non-Medic Principal Investigators recruiting significantly into studies, and we are recruiting into more specialties than ever before.

The Trust is proud of a number of success stories. In the cancer trial portfolio, SaTH recruited the first patient in the UK into the DARS Head and Neck cancer study; are top recruiters into the MAMMO-50 (breast cancer) study out of 102 hospitals, 2nd top recruiters into the PROMPTS (prostate cancer) study, as well as being the 8th highest recruiting Trust out of 128 hospitals nationwide to recruit into the STAMPEDE prostate cancer study. We are developing the Paediatric portfolio and were 3rd top recruiters into a study looking at acceptability of the taste or medicines to children. We are the top UK recruiters into the REVOLVE (Crohns disease) study and in the top ten hospitals for recruitment into the GLORIA AF cardiac study.

Work is on-going in improving engagement at all levels within the Trust and the public by promotional events, providing speakers at local groups, and activity reports to the Board and two lay members on the R&I Committee.

The Trust also acts as a Continuing Care site for local children recruited into cancer and neonatal studies at Birmingham Children's Hospital and delivers all the treatment and follow up care required. Radiology, pathology services and Lead Research Nurse support are also provided for patients taking part in clinical research in our local mental health trust and in primary care.

Commissioning for Quality and Innovation Scheme (CQUINS)

A proportion of our income in 2016-2017 was conditional on achieving quality improvement and innovation goals agreed between our commissioners through the CQUIN framework. Some CQUIN schemes are nationally agreed as they reflect national priorities and best practice and others reflect local priorities that aim to support and encourage improvement and innovation. These are the CQUINS that were agreed during 2016-2017:

Priority	Number	Scheme	Have we achieved the CQUIN?
National	1a	Introduction of staff health and wellbeing initiatives	Achieved
National	1b	Healthy food for NHS staff, visitors and patients	Achieved
National	1c	Improving the uptake of flu vaccinations for front line clinical staff	Partially achieved
National	2A1	Timely identification and treatment for sepsis in emergency departments (screening)	Partially achieved
National	2A2	Timely identification and treatment for sepsis in emergency department (treatment and three day review)	Not achieved
National	2B1	Timely identification and treatment for sepsis in acute inpatient settingsl(screening)	Partially achieved
National	2B2	Timely identification and treatment for sepsis in acute inpatients settings (treatment and three day review)	Not achieved
National	4A	Reduction in antibiotic consumption per 1000 admissions	Achieved
National	4B	Empiric review of antibiotic prescriptions	Partially achieved
Local		Outpatient ambulatory emergency same day assessment and treatment service	Achieved
Local		Promote a system of timely identification and proactive fragility within the community	Achieved
Specialist Service		Enhanced supportive care access for advanced cancer patients	Achieved
Specialist Service		Preventing term admissions to Neonatal Intensive Care	Achieved
Specialist Service		Supporting primary care to manage renal failure eGER	Achieved
Specialist Service		NHSE Haemophilia	Achieved

For further information about financial penalties and rewards in relation to CQUIN payments for 2016-2017 please refer to the Trust Board Annual Accounts and Report.

Looking forward, these are the CQUINS that have been agreed for 2017-2018 that we will report on in our next Quality Account. Many of them are carrying on from 2016-2017 and will continue into 2018-2019 to enable us to really embed improvement.

Priority	Number	Scheme
National	1a	Improvement of Health and Wellbeing of NHS staff
National	1b	Healthy food for NHS staff, visitors and patients
National	1c	Improving the uptake of flu vaccinations for front line clinical staff
National	2a	Timely identification of sepsis in emergency departments and acute inpatient settings
National	2b	Timely treatment of sepsis in emergency departments and acute inpatient settings
National	2c	Antibiotic Review
National	2d	Reduction in antibiotic consumption per 1000 admissions
National	4	Improving services for people with mental health needs who present to A&E
National	6	Offering advice and guidance – improve access for GPs to consultant advice prior to referring patients in to secondary care
National	7	NHS E Referrals – all providers to publish all of their services and make all first outpatient appointment slots available on the E referral service
Specialised Services	WC4a PICU	Paediatric Networked Care – non PICU centres
Specialised Services	GE3	Hospital Medicines Optimisation
Specialised Services	DESP 2016	Diabetic Eye Screening Programme

Our Commitment to Data Quality

Shrewsbury and Telford Hospital NHS Trust recognises the central importance of having reliable and timely information, both internally to support the delivery of care, operational and strategic management and overall governance, and externally for accountability, commissioning and strategic planning purposes.

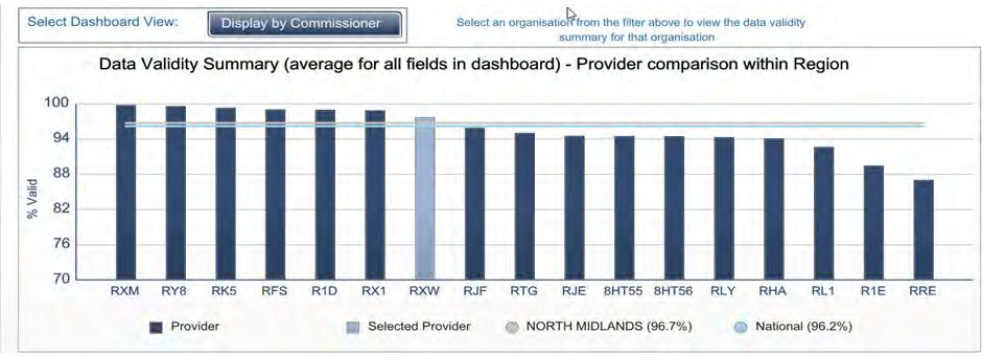
High quality and meaningful information enables people at all levels in the Trust (including external stakeholders) from frontline staff to Board level Directors to:

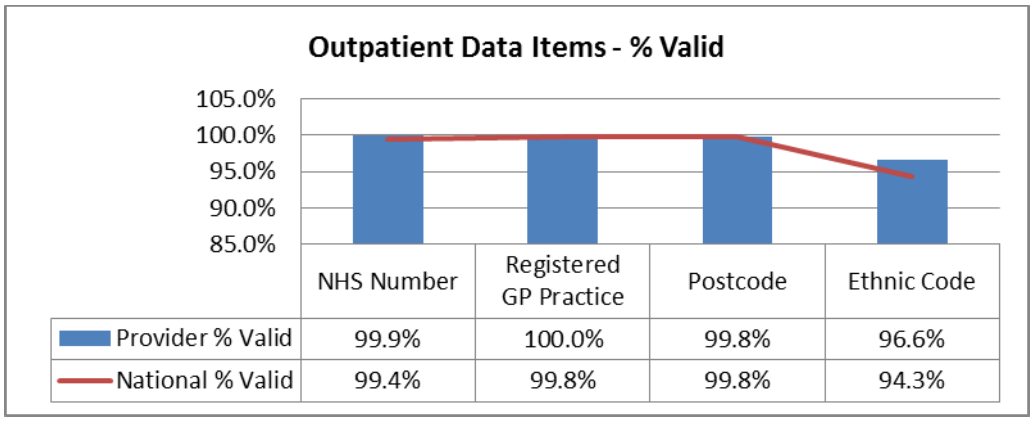
- Judge our service quality and outcomes; and to monitor progress
- Make strategic and service decisions, based on the evidence
- Investigate and analyse suspected problems and evaluate service/practice changes
- Benchmark the Trust against other Trusts and internally across services.

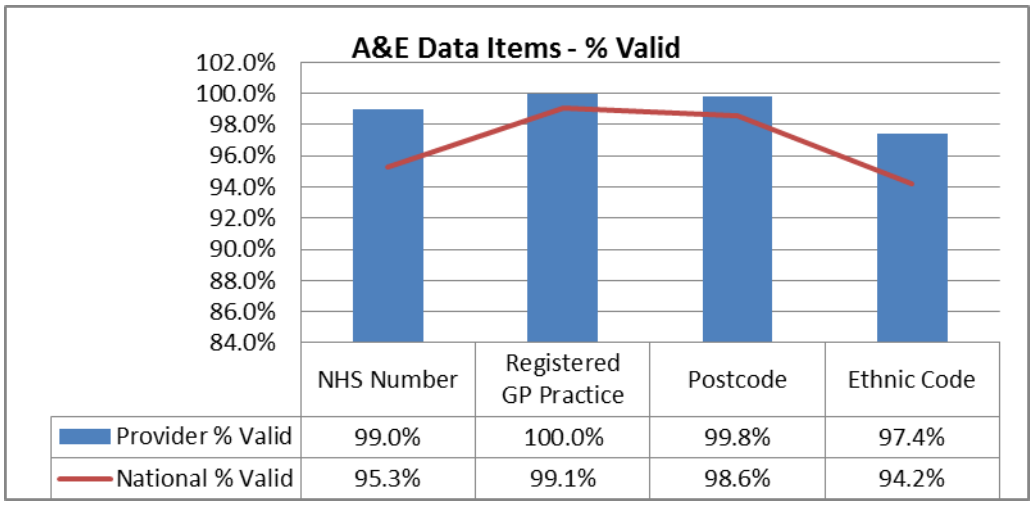
The Information Governance Toolkit Requirement Number 506 states that organisations must have documented procedures and a regular audit cycle to check the accuracy of service user data.

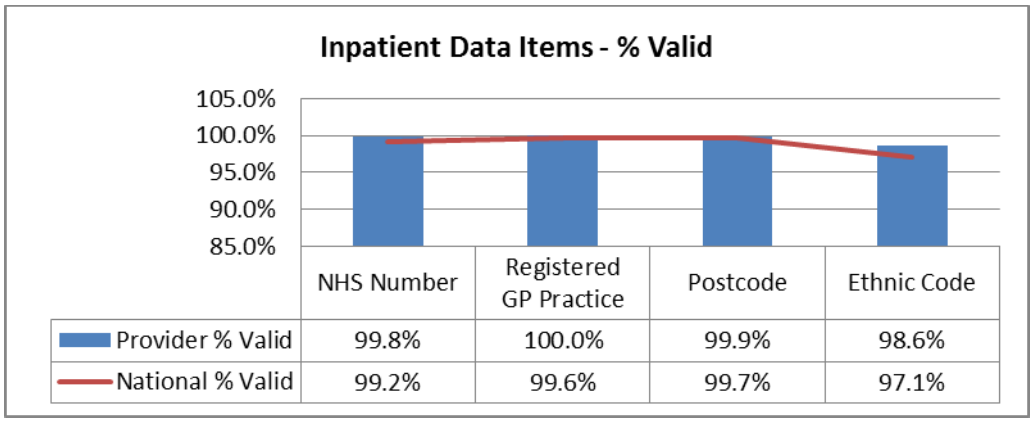
The audit should cover all key data items identified in HSCIC guidance for Acute Trusts Data Set.
In adherence with the 'Francis Report (2013) " The only practical way of ensuring reasonable accuracy is vigilant auditing at local level of the data put into the system. This is important work, which must be continued and where possible improved", the Data Quality Team follows good practice and has a regular audit cycle in line with the IG Toolkit Requirements. The Data Quality Team Investigate Information errors and report back to source and where necessary refer service users' for further training.

'Key' Information fields taken from Data provided for secondary use resulted in the following scores compared with National 'Validity Scores':









The Data Quality Team audit, monitor and correct ad hoc data items recorded on the Patient Administration System (PAS) to ensure Validity and Integrity for example:

Data Item: April 2016 – February 2017:	Total records completed / populated
Identification of duplicate patient registrations recorded on PAS – merged both electronically and physically	5375
Demographic Corrections - NHS Spine for validation	4470
Missing NHS Numbers against patient records – fields populated	2040
Rejected Discharge Summaries from GPs corrected and sent to valid GP	5035
Open referrals recorded on the system in error – corrected and closed	5424

Which organisational information does Information Governance cover?

Any information that the organisation holds, whether it is corporate information such as minutes of meetings, contracts, policies or whether it's personal information about staff, or patient information e.g. health records.

Information Governance is the framework for handling information in a confidential and secure manner to the appropriate ethical and quality standards in a modern health service. It brings together interdependent requirements and standards of practice in relation to the following IG initiatives:

Overall Score: 75%

Initiative	Level % 2017	Grade
Information Governance Management	86%	satisfactory
Confidentiality and Data Protection Assurance	79%	satisfactory
Information Security Assurance	68%	satisfactory
Clinical Information Assurance	73%	satisfactory
Secondary Use Assurance	75%	satisfactory
Corporate Information Assurance	77%	satisfactory

Shrewsbury and Telford Hospital NHS Trust submitted records to the Secondary Uses service for inclusion in the Hospital Episode Statistics which are included in the latest version of those Statistics published prior to publication of the relevant document by the provider during 2016-2017

Shrewsbury and Telford Hospital NHS Trust submitted records to the Secondary Uses service for inclusion in the Hospital Episodes Statistics which are included in the latest published data in 2016-2017

The Trust was not subject to a Payment By Results Clinical Coding Audit during 2016-2017

Mandatory Reporting Requirements

Core Quality Account Indicators as required by NHS England.

Every year NHS England requires specific information to be included in Quality Accounts based on the NHS Outcomes Framework which sets out high level national outcomes which the NHS should be aiming to improve. The Framework provides indicators which have been picked to measure how we improve. It is important to note that whilst these indicators must be included in the Quality Accounts the most recent national data available for the reporting period is not always for the most recent financial year. Where this is the case the time period used is noted underneath the indicator description.

NHS Outcomes Framework Domain	Indicator	SaTH 2015/16	SaTH 2016/17	2016-2017			Trust Statement
				National Average	Highest Scoring Trust	Lowest Scoring Trust	
Preventing people from dying prematurely	The value and banding of the summary hospital level mortality indicator (SHMI)	96	64	70	92	46	Shrewsbury and Telford Hospitals NHS Trust considers that this data is as described for the following reasons: The Trust reviews mortality data regularly Shrewsbury and Telford Hospitals NHS Trust has taken the actions highlighted elsewhere in this Quality Account to improve this rate and so the quality of services.
Enhancing quality of life for people with long term conditions	The percentage of patient deaths with palliative care coded at either diagnosis or specialty level for the Trust for the reporting period	17.20	21.27	28.40	63.46	9.06	Shrewsbury and Telford Hospitals NHS Trust considers that this data is as described for the following reasons: The Trust reviews all data regularly Shrewsbury and Telford Hospitals NHS Trust intends/has taken the following actions to improve this percentage and so the quality of services by continuing to place utmost importance on high quality care to palliative patients.
Helping people to recover from episodes of ill health or following injury	Patient reported outcome measures for: Groin Hernia Surgery Varicose Vein Surgery Hip Replacement Surgery Knee Replacement Surgery (Apr16 – Dec 16, published May 2017)	 0.086 0 0.439 0.28	 0.159 0.152 0.563 0.434	 0.087 0.093 0.449 0.330	 0.386 0.482 0.836 0.945	 -0.1208 -0.2675 -0.263 -0.071	Shrewsbury and Telford Hospitals NHS Trust considers that this data is as described for the following reasons: Patient Reported Outcome Measures are an important way that we measure the outcome following a procedure Shrewsbury and Telford Hospitals NHS Trust intends/has taken the following actions to improve this indicator and so the quality of services by: encouraging patients to complete the questionnaires following the procedure.

NHS Outcomes Framework Domain	Indicator	SaTH 2015/16	SaTH 2016/17	2016-2017			Trust Statement
				National Average	Highest Scoring Trust	Lowest Scoring Trust	
Helping people to recover from episodes of ill health or following injury	Percentage of patients aged: 0-14 15 or over Readmitted to a hospital which forms part of the Trust within 28 days of being discharged from a hospital which forms part of a Trust during the reporting period (Feb 17-Mar 17)	 9.90 7.66	 10.00 7.14	 8.25 5.65	 23.17 10.72	 0.45 2.77	Shrewsbury and Telford Hospitals NHS Trust considers that this data is as described for the following reasons: We measure readmission rates carefully to monitor when patients are having to come back to us following an episode of care Shrewsbury and Telford Hospitals NHS Trust intends/has taken the following actions to improve this indicator and so the quality of services by working to ensure that patients are discharged home safely and effectively
Ensuring that people have a positive experience of care	Percentage of staff employed by, or under contract to, the Trust during the reporting period who would recommend the Trust as a provider of care to their family or friends (Qtr 2 2016/17)	80	80	80	100	44	Shrewsbury and Telford Hospitals NHS Trust considers that this data is as described for the following reasons: The Trust is developing processes to improve all elements of patient experience Shrewsbury and Telford Hospitals NHS Trust intends/has taken the following actions to improve this percentage and so the quality of services by continuing to work with our Patient Experience and Involvement Panel to improve patient experience of the Trust
	Friends and Family Test covering services for inpatients and patients discharged from A&E (Feb 2017)		96% 98%				Shrewsbury and Telford Hospitals NHS Trust considers that this data is as described for the following reasons: The Trust is developing processes to improve all elements of patient experience Shrewsbury and Telford Hospitals NHS Trust intends/has taken the following actions to improve this percentage and so the quality of services by continuing to work with our Patient Experience and Involvement Panel to improve patient experience of the Trust

NHS Outcomes Framework Domain	Indicator	SaTH 2015/16	SaTH 2016/17	2016-2017			Trust Statement
				National Average	Highest Scoring Trust	Lowest Scoring Trust	
Treating and caring for people in a safe environment and protecting them from avoidable harm	The percentage of patients who were admitted to hospital and who were risk assessed for venous thromboembolism during the reporting period (Jan – Dec 2016)	94.70	95.68	96.00	99.96	93.94	Shrewsbury and Telford Hospitals NHS Trust considers that this data is as described for the following reasons: The Trust reports VTE risk assessment rates on a monthly basis and provides challenge where compliance is not seen. Shrewsbury and Telford Hospitals NHS Trust intends/has taken the following actions to improve this percentage and so the quality of services by: implementing systems to ensure that patients are assessed and monthly reporting indicates any areas where this is not happening so that remedial action may be taken
	The rate per 100,000 bed days of cases of C Difficile infection reported within the Trust amongst patients aged 2 or over during the reporting period (Mar 2016 – Feb 2017)	0.02	6.60	12.67	67.20	0.00	Shrewsbury and Telford Hospitals NHS Trust considers that this data is as described for the following reasons: Infection Prevention and Control is a high priority for the Trust Shrewsbury and Telford Hospitals NHS Trust intends/has taken the following actions to improve this rate and so the quality of services by the actions highlighted elsewhere in this report
	The number of patient safety incidents reported within the Trust during the reporting period (Apr – Sep 2016)	3364	4398	4955	13485	1485	Shrewsbury and Telford Hospitals NHS Trust considers that this data is as described for the following reasons: We promote a culture of open and honest reporting across the Trust. Shrewsbury and Telford Hospitals NHS Trust intends/has taken the following actions to improve this data and so the quality of services by encouraging a culture of reporting and support to carry out investigations and develop action plans to ensure learning.
	The rate of patient safety incidents reported within the Trust during the reporting period per 100 admissions (Apr – Sep 2016)	28.01	35.93	40.76	71.81	21.15	
	The percentage of such patient safety incidents that resulted in severe harm or death (Apr – Sep 2016)	0.1	0.003	0.004	0.017	0.000	

MORTALITY

Understanding mortality and how we measure it

SaTH has, as part of its organisational strategy, the aim of being an organisation that is 'safest and kindest'. This involves clinically effective, safe care and provided by colleagues who do care. This is achieved, in part by monitoring and learning from mortality which can provide valuable insights into areas for areas for improvement. To support that, the governance around mortality is well developed, both in order to provide continued learning and improvements to the clinical pathways and to reduce unnecessary harm to patients.

We have seen an improvement in our performance regarding mortality over the last five years, that has been maintained over the last year. This is demonstrated over the four mortality parameters and we now are consistently lower than our peer comparators. The mortality parameters are:

- **The Hospital Standardised Mortality Ratio (HSMR).** This is a national measure and an important means of comparing our mortality against other similar hospitals.
- **The Summary Hospital-level Mortality Indicator (SHMI).** This is similar, in many ways, to the HSMR but also includes patients who die within 30 days of being discharged from our hospital.
- **Risk Adjusted Mortality Index (RAMI)** This is similar to HSMR but compares us with a different group of hospitals
- **Crude Mortality.** This includes all deaths in our hospital.

When used together these methods provide a more balanced perspective so, at SaTH, we use all four parameters.

RAMI – SaTH v Trust Peer January 2016 – February 2017
Average Index for period SaTH 80 v Trust Peer 135

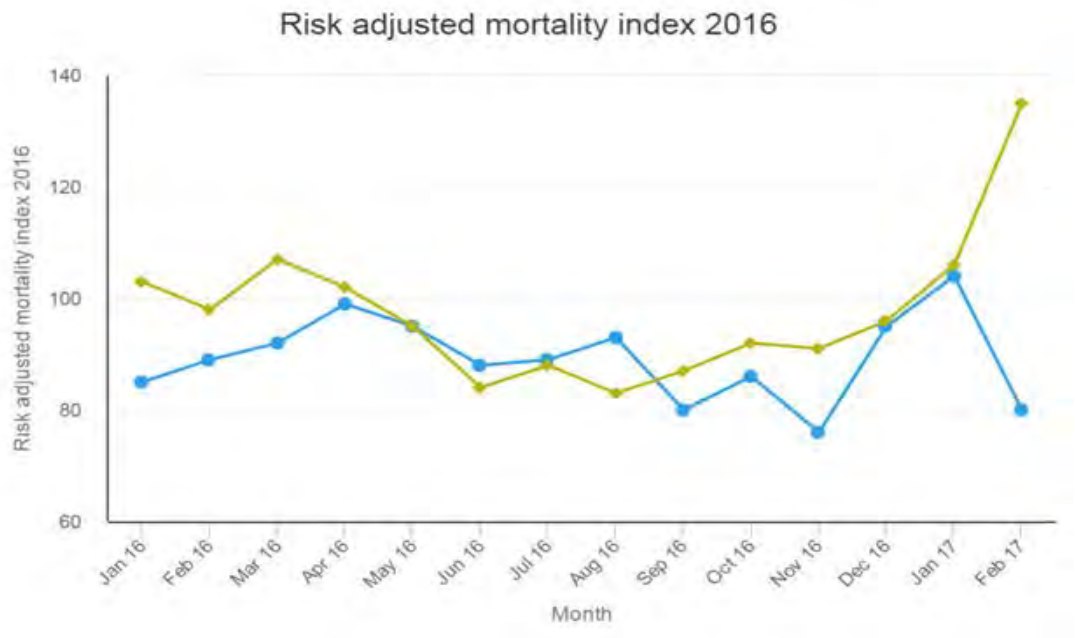


Figure 1 – Short term view

RAMI – SaTH v Trust Peer February 2011 – February 2016
(SaTH is the blue line)

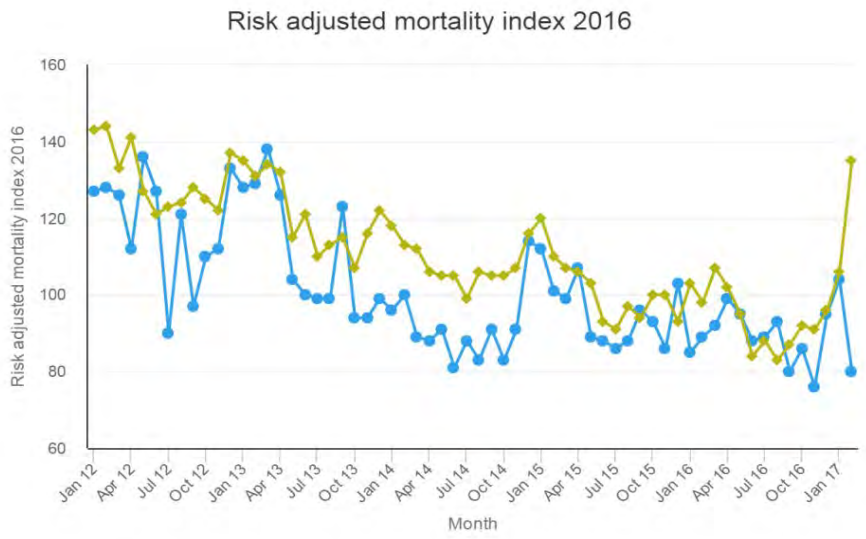


Figure 2 – Long term

Mortality Management at SaTH

We have maintained the improved mortality levels achieved by the Trust over the last five years, and continue to improve in comparison to our Peers.

We have also continued to build on and improve on the "lessons learned" practice whereby mortality reviews, where appropriate, are fed back through Clinical Governance meetings of each specialty where avoidable factors had been identified.

Our monitoring of mortality is an integral part of the Trust's work within an action schedule where we identify and review any areas where SaTH might appear as an outlier. We are reporting back to the mortality review meetings and also within the quarterly report to the Commissioners.

MANAGEMENT OF MORTALITY AT SaTH

Internal Surveillance

CHKS and HED
Quarterly Report on trends
HSMR, SHMI, RAMI
*The Trust does not subscribe to Dr Foster

NATIONAL OUTCOME AUDITS
SaTH contribues data
TARN, NHFD, ICNARC, SSNAP, RESUS COUNCIL

PATIENT SAFETY ADVISOR/ MORTALITY LEAD
Monthly horizon scanning
HSMR, SHMI, RAMI by condition
Provides support for in-depth reviews

CLINICAL MORTALITY LEADS PER SPECIALITY
Review of speciality mortality score cards.
HSMR, SHMI, RAMI and other clinical indicators

CHIEF INFORMATION OFFICER
To assure monthly sign off of NHS Digital Data by Medical Director
Review of SHMI by conditions

MEDICAL PERFORMANCE MANAGER
Reports SaTH overall
HSMR, SHMI, RAMI trend by month
Trust Mortality, SLT, CQRM

Internal Governance Structure

CARE GROUP CLINICAL GOVERNANCE STRUCTURE
Regular surveillance
Trend Analysis
Casenote review – patient level data – to identify avoidable deaths
Implementation of shared learning points
Contribute to quarterly morality reviews

TRUST MORTALITY AND MORBIDITY REVIEW MEETING (Every 2 months)
Chaired by the Medical Director
Trend analysis
Mortality casenote review
Implementation of shared learning points
Decisions on themes for next quarter
Decisions for in-depth reviews where appropriate

CLINICAL GOVERNANCE EXECUTIVE
Care Group Governance reports and actions
Summary from Trust Mortality and Morbidity Review Meeting – Mortality Review Report shared with CQRM and QSC

SENIOR LEADERSHIP TEAM MEETING
Summary metrics of overall SaTH Crude Mortality, HSMR, RAMI and SHMI
Outlier Alert information

QUALITY AND SAFETY COMMITTEE
Summary from Trust Mortality and Morbidity Review Meeting – Mortality Review Report
Individual cases in high risk report of IPR

TRUST BOARD
Regular summary reports on Mortality and Morbidity
Individual cases in high risk report of IPR

External Governance Structure

CQRM
Quarterly report
Summary metrics of overall SaTH Crude Mortality, HSMR, RAMI and SHMI

NHS ENGLAND
As requested
Summary metrics of overall SaTH Crude Mortality, HSMR, RAMI and SHMI

NHS Improvment
As requested
Summary metrics of overall SaTH Crude Mortality, HSMR, RAMI and SHMI
Reports for specific outlier reviews

ADDITIONAL EXTERNAL AGENCIES
CQC
National Hip Fracture Database
Dr Foster
Reports for specific outlier reviews

Internal Learning Structure

Care Group Medical Directors and Heads of Nursing
Implementation of action plans and shared learning via Care Group Governance Structures

Nursing and Midwifery Forum
Shared learning events

Doctors Essential Education Programme (DEEP)
Led by the Medical Director
Shared learning events

Accountable Personnel

- Medical Director
- Deputy Medical Director Quality and Standards
- Medical Performance Manager
- Patient Safety Advisor/ Corporate Mortality Lead
- Care Group Governance Leads
- Speciality Governance Leads

Where are we now?

- We have made significant progress in implementing a robust mortality review process and governance framework.
- We also continue to improve in comparison to our peers relating to our in-hospital mortality.
- We have an on-going proactive action schedule identifying areas that require further investigation for each quarter.
- We have an open and transparent approach with families who raise concerns and actively participate in external enquiries when required.
- We have an Executive (Medical Director) and a Non-Executive Director of the Board with responsibility for mortality. Both attended the Learning from Deaths conference in March 2017.

What more can we do?

We aim to continue to improve our mortality rates by setting ourselves even more challenging objectives.

We will continue to monitor our position for any areas that require further investigation.

We currently meet many of the recommended objectives within the National Quality Board published document 'National Guidance on Learning from Deaths' on identifying, reporting, investigating and learning from deaths in care.

The objectives for 2017/18 are to:

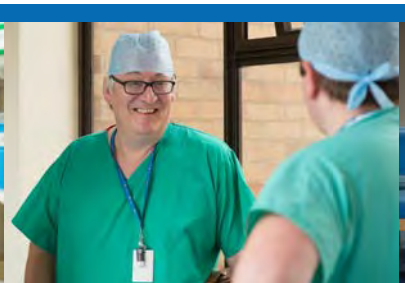
- maintain the improved mortality levels achieved by the Trust over the last five years, and improve further
- prepare for the introduction of the National Mortality Care Record Review Programme (NMCRR)
- participate in the national Learning Disabilities Mortality Review (LeDeR) programme when it is implemented
- participate in the collection and reporting on a quarterly basis specified information on deaths.

These objectives will help us reduce mortality further by improving the way we learn from mortality. We shall enhance our ability to monitor actions and report areas where improvement can be made. We shall increase the focus on mortality through Clinical Governance groups for each speciality, ensuring that lessons are learned from the screening system we shall put in place.

PATIENT SAFETY

We aspire to be the safest in the NHS and so one of the ways we wanted to show our commitment was to "Sign Up to Safety" – to be part of a national initiative that aims to reduce harm in the NHS by 50% over three years (the initiative is now in its third year). All Trusts that signed up were asked to put together a Safety Improvement Plan which identifies the safety priorities for the Trust.

Our Sign Up to Safety plan is in the process of being updated for progress against the priorities that we set ourselves, some of which are reflected in this Quality Account (for example, improving the screening and identification of sepsis and the reduction of falls and pressure ulcers). Once this review has taken place we will be able to readjust our actions within the plan to ensure that at the end of the three years we will be able to show our contribution to the reduction of harm to patients.

Falls

The total number of falls in 2016-2017 has increased by 1.3% from 2015-2016 and equates to a 15% decrease in the number of reportable falls since monitoring began in 2011-2012.

Using the number of falls against recorded bed days activity which is benchmarked against the average number of falls in acute Trusts in England the Trust is well within the average of 6.6 falls per 1000 bed days.

All Falls

The average for February 2014 to January 2015 is 5.2 falls per 1000 bed days, for February 2016 to January 2017 the average has very slightly increased to 5.3 falls per 1000 bed days

The level of moderate/severe harm to patients resulting from a fall has however slightly decreased. The average for February 2014 to January 2016 is 0.15 falls resulting in moderate harm or above per 1000 bed days, and for February 2016 to January 2017 the average has slightly decreased to 0.11 falls per 1000 bed days. This is benchmarked against a national average of 0.19 falls resulting in moderate harm or above per 1000 bed days.

Pressure Ulcers

Summary 2015-2016	Avoidable	Unavoidable	Overall
Grade 4 pressure sore	0	2	2
Grade 3 pressure sore	9	11	20
Total	9	13	22

The Trusts reporting for grade 3 and 4 avoidable pressure ulcers for 2015-2016 was:

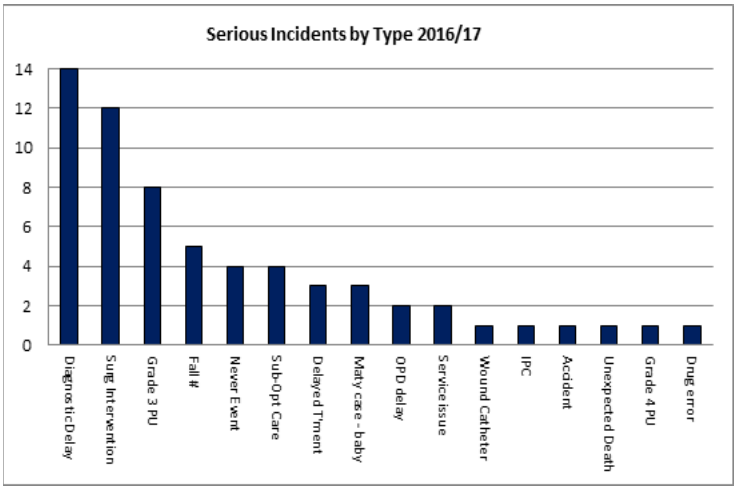
Summary 2016-2017	Avoidable	Unavoidable	Overall
Grade 4 pressure sore	1	2	3
Grade 3 pressure sore	9	11	20
Total	10	13	23

For 2016-2017:

Serious Incidents (SI)

Adjusted Serious Incidents totals for 2015-2016 were 58; this rose in 2016-2017 to 63.

The table below shows the Serious Incidents in 2016-2017 by type:



While the number of Serious Incidents relating to diagnostic delays is similar to 2015-2016, this financial year has seen a significant rise in incidents relating to 'Surgical Intervention' (there are currently 12 in the category— for 2015-2016 the end of year total for the category was three). The difference may be in part due to a reduction in the number of available categories on StEIS (the SI reporting system) but an end of year review will be conducted to assess trends and themes and a comparison with the previous years' reporting.

Never Events

NHS England (2015) defines Never Events as:

"Serious incidents that are wholly preventable as guidance or safety recommendations that provide strong systemic protective barriers are available at a national level and should have been implemented by all healthcare providers".

The Trust reported four Never Events in 2016-2017.

One related to the removal of the wrong tooth and the other three events related to retained foreign objects following an invasive or surgical procedure. All four were reported in accordance with our incident reporting processes and through the agreed processes to our commissioners (Shropshire Clinical Commissioning Group and Telford and Wrekin Clinical Commissioning Group) and NHS Improvement, our regulators.

This series of Never Events presents the Trust with the opportunity to implement our vision of being the safest in the NHS through learning and implementing change. Staff are proactive in reporting such events and are committed to learning from them to ensure that our patients remain safe. The events triggered in depth reviews of the areas and changes to practice to enhance safety procedures. Support for Human Factors training has been a significant outcome of the reviews into these cases.

Duty of Candour

Since November 2014 all health and social care organisations registered with the CQC have had to demonstrate how open and honest they are in telling people when things have gone wrong. This process is called the "Duty of Candour" and as a measure of its importance it is the sole element of Regulation 20 of the Health and Social Care Act 2008 (Regulated Activities) Regulations 2014.

The Duty of Candour has been implemented across the Trust. In support of this a policy has been written to help those undertaking the Duty of Candour to quickly identify what they need to do.

The initial roll out of the regulatory requirements focussed on Serious Incidents to ensure that we have strong systems in place. These are in place and performing well.

We are also making sure that clinicians implement the Duty of Candour for those incidents resulting in what is described as moderate harm. We want to make sure that the communication with patients, their families or carers is of the highest standards whether it is verbal or written. During 2017 we will be reviewing all incident reports on datix to ensure that where needed it is recorded that the requirements of the Duty of Candour Regulation have been met.

Safety Alerts

Through the analysis of reports of serious incidents and new safety information from elsewhere NHS England develops advice for the NHS that can help to ensure the safety of patients, visitors and staff. As information becomes available, NHS England then issues alerts on potential (and known) risks to patient safety. At SaTH these are coordinated and monitored by the Patient Safety Manager who disseminates the alerts to the appropriate clinical teams who ensure that we are already compliant or that there is an action plan to ensure we become so. This process is monitored every time our Clinical Governance Executive meets to make sure it remains at a high level of visibility. The table below shows the alerts that we have received during 2016-2017 and our progress against them. We fully complied with the compliance deadlines for those that have




Alert Identifier	Alert Title	Date received/ Circulated	Closure target date	Closure date	Open/ Closed
NHS/PSA/ RE/2016/003	Patient safety incident reporting and responding to Patient Safety Alerts	22/04/2016	03/06/2016	03/06/2016	closed
NHS/PSA/ W/2016/004	Risk of death and severe harm from failure to recognise acute coronary syndromes in Kawasaki disease patients	Issued 13/5/2016 circulated 17/05/2016	22/06/2016	07/06/2016	closed
NHS/PSA/ Re/2016/005	Resources to support safer care of the deteriorating patient (adults and children)	issued 12/07/16 circulated 14/07/16	31/01/2017	31/01/2017	closed
NHS/PSA/ RE/2016/006	Nasogastric tube misplacement: continuing risk of death and severe harm	issued 22/07/16 circulated 22/07/16	21/04/2017	18/04/2017	closed
NHS/PSA/ RE/2016/007	Resources to support the care of patients with acute kidney injury	circulated 17/08/16	17/02/2017	16/02/2017	closed
NHS/PSA/ D/2016/008	Restricted use of open systems for injectable medication	Issued 07/09/2016 Circulated 15/09/2016	07/06/2017		open
NHS/PSA/ D/2016/009	Reducing the risk of oxygen tubing being connected to air flowmeters	Issued 04/10/2016 Circulated 4/10/2016	04/07/2017		open
NHS/PSA/ W/2016/010	Risk of death and severe harm from error with injectable phenytoin	Issued 09/11/2016 Circulated14/11/2 016	21/12/2016	20/12/2016	closed
NHS/PSA/ W/2016/011	Risk of severe harm and death due to withdrawing insulin from pen devices	Issued 16/11/2016 Circulated 17/11/2016	11/01/2017	11/01/2017	closed
NHS/PSA/ Re/2017/001	NHS/PSA/Re/2017/001 - Resources to support safer care for full-term babies	Issued 23/02/2017 Circulated 28/02/ 2017	23/08/2017		open
NHS/PSA/ RE/2017/002	Resources to support the safety of girls and women who are being treated with valproate	Issued 06/04/2017 Circulated 06/04/ 2017	06/10/2017		open

NHS Safety Thermometer

This year we have continued to submit data as part of the NHS Safety Thermometer data set – a "snapshot" of all patients in the NHS on one day per month, measuring whether they have a pressure ulcer, have fallen in the previous 72 hours, have a catheter with an associated infection or a venous thromboembolism (blood clot) as these are the four most common harms that are measured in the NHS. This year (2016-2017) our average percentage of patients recorded as being free from any of these harms was 94.17% and our average percentage of patients that we recorded as not having developed any of these harms in our care was 97.94%.

Patient Led Assessments of the Care Environment (PLACE)

Patient Led Assessments of the Care Environment (PLACE) Assessments took place between May and June 2016. These assessments were supported by members of our local Healthwatch and our Patient Experience and Involvement Panel.

	Cleanliness	Food	Organisation Food	Ward Food	Privacy, Dignity & Well Being	Condition, Appearance and Maintenance	Dementia	Disability
SaTH Average	99.4	90.50	81.71	93.61	68.99	91.41	58.14	74.10
National Average	98.06	88.24	87.01	88.96	84.16	93.37	75.28	78.84

The results were published in September and the scores for Shrewsbury and Telford Hospital are compared to the national average below:
Following the inspections we have put together an action plan to address the issues that were raised during the assessment. We will measure how successful this has been by repeating the PLACE inspections in 2017-2018.

Equality and Diversity

We aim to ensure that our services are delivered in a fair way to all users. This means that patients do not suffer detriment, disadvantage or unequal treatment because of age, disability, gender re-assignment, marriage and civil partnership, pregnancy and maternity, race including nationality and ethnicity, religion or belief, sex or sexual orientation.

By diversity we mean that we value the different contributions that all staff, patients, families and carers can bring.

To make sure that we are complying with national standards and doing the right thing for our patients and staff we measure how we are getting on through:

The Workforce Race Equality Scheme (WRES) against which we measured ourselves in the summer of 2016 (the reporting template may be found on our website)

The Equality Delivery System Two (EDS2) against which we are carrying out an assessment at present. When complete this will be published on our website

Against both we have action plans that we will use to measure our progress against the standards within the documents and ensure that we are continually improving and developing our services to be responsive and equitable to all

Infection Prevention and Control

The Trust reports all cases of C Difficile (CDI) diagnosed in the hospital laboratory to Public Health England. However only cases where the sample was taken more than 72 hours after admission are considered attributable to the trust. Our target for C Difficile in 2016-2017 was to have not more than 25 Trust apportioned cases in patients over the age of two years. The number of C Difficile cases at the end of year is 21 so we have achieved our target and the numbers reported have dropped from 31 last year.

Each identified CDI case is assessed with the relevant clinical teams to see if there was a lapse of care. If the outcome was that there was not a lapse of care it would be put through to a CCG review panel for consideration.

Eleven cases were apportioned to SaTH in first six months of the year (samples taken post 72 hours). This dropped to ten cases in the second six months. For the first 17 cases of the year the CCG review panel found that 12 were associated with a lapse in care, so this will be taken into account when determining financial penalties.

CDI lapse in care common themes included delay in sending samples, lack of compliance with antibiotic policy (overuse of Meropenem and Tazocin) and delay in providing isolation facilities for the patient.

At year end we have had one case of MRSA Bacteraemia (bacteria in the blood). It is now over 250 days since our last recorded case in the Trust. Although we have not achieved our target of zero cases this continues our current very low level of MRSA bacteraemia.

Vancomycin resistant enterococcus (VRE) (post 48 hours) - we have had 59 cases (compared to 117 last year). There had been a continuous rising trend over the last few years. Fortunately most patients have been colonised rather than showing active infection.

MRSA new cases (not bacteraemia) – 18 cases so far compare to 30 cases last year—we are reducing the ways that people can pick up the bacteria in the first place. We do this by screening all admissions apart from those in very low risk groups and if MRSA is detected we can then make sure we can offer a clearance regime with topical creams and sometimes milder antibiotics.

Hand Hygiene Compliance Audits - we have been 95% or above for the last 12 months

MRSA Emergency screening - we have been just under 95% on average for the last 12 months. The Unscheduled Care Group has been extremely proactive over the last quarter to increase their compliance.

MRSA Elective screening, we have been over 95% on average for the last 12 months.

Section four: A Listening Organisation

How we use feedback to develop our culture

2016 Survey of Adult In Patients carried out by the CQC.
The results of the survey improved in almost 50% of the areas covered by the survey.

The results follow positive results in the 2015 survey, which saw a 75% improvement on the 2014 survey, including 19 statistically "significant" improvements.

The Trust saw improvements in 30 of the 61 comparable questions answered by patients in the latest survey. Of the 18 areas which saw a fall in patient satisfaction, only two were considered statistically "significant". The other areas of the questionnaire saw no change, or did not have a comparison in 2015.

Patients were asked questions based on their experience in different departments of the Trust, as well as about their experience with Doctors and Nurses and their care and treatment.

In the overall results, 98% of patients said they felt well looked after by hospital staff, and the same proportion said they were treated with respect and dignity.

The survey also revealed that 96% of patients had confidence and trust in the doctors treating them and 98% had confidence and trust in the nursing staff.

SaTH performed statistically significantly better than in the previous 2015 results in three areas: Patients being bothered by noise at night from hospital staff; the cleanliness of hospital rooms and wards; and the cleanliness of the toilets and bathrooms which patients used.

SaTH performed worse than the average in one area in which patients did not feel they received enough support from staff to help with their recovery or to manage their condition after leaving hospital.

	CQC Adult Inpatient Survey 2015	CQC Adult Inpatient Survey 2016
	Published May 2016	Published May 2017
	639 inpatients receiving care from the Trust in 2015	641 inpatients receiving care from the Trust in 2016
	Comparison with other Trusts in England	Comparison with other Trusts in England
The Emergency/A&E Department	About the	About the
Waiting list and planned admissions	About the	About the
Waiting to get to a bed on the ward	About the	About the
The hospital and ward	About the	About the
Doctors	About the	About the
Nurses	About the	About the
Care and Treatment	About the	About the
Operations and Procedures	About the	About the
Leaving hospital	About the	About the
Overall views of care and services	About the	About the
Overall experience	About the	About the

This diagram shows that in both 2015 and 2016 we have been consistently "About the Same" as other Trusts in England, for each of the eleven sections.

Friends and Family Test (FFT)

The Friends and Family Test allows all NHS patients the opportunity to give feedback on their care as often as they wish to, and provides Trusts with a good measure of where best to target improvements. It is also a good way for Trusts to inform the public about how well they are doing, and how patients feel about their care with us. During 2016-2017 SaTH brought all of the collection and processing of this data in-house, using Young Apprentices appointed for one year to gain the necessary skills to move into a permanent job role in the NHS. This has had a very positive impact on both Trust response rates and the number of patients who are likely to recommend our services.

The new system is allowing more efforts to be focused on increasing our response rate, to ensure that the data we receive is representative of the views of a wide range of our patients. It has also allowed us to identify problems more quickly and respond to these.

In November 2015, the Trust overall response rate was 15%, with an A&E response rate particularly challenged at just 12.6%. Since appointment of the Apprentices, the most recently published overall Trust response rate for November 2016 now stands at 23.4%, with the A&E response rate having more than doubled, standing at 34%.

Over the last year, growth has been such that SaTH's results now compare favourably to other Trusts. In the most recent figures published by NHS England (for September 2016), SaTH had the third highest response rate for A&E in the country at 34%.

In the most recent national data for October 2016, SaTH was ranked joint second nationally, alongside 11 other Trusts for percentage of Inpatient Promoters (Patients "very likely" or "likely" to recommend), with only one other Trust in the country achieving a higher score. For maternity, SaTH alongside a number of other Trusts achieved the highest score in the country, at 100%.

		Inpatient	A/E	Maternity	Outpatients
2014/15	% of promoters	92.0%	91.2%	86.1%	NA
	Response rate	27.6%	6.7%	15.7%	NA
2015/16	% of promoters	96.40%	90.40%	98.80%	95.50%
	Response rate	22.10%	19.10%	26.60% (birth only)	NA
2016/17	% of promoters	98.1%	94.6%	98.80%	95.9%
	Response rate	18.2%	23.1%	14.8% (birth only)	NA

Complaints and Patient Advisory and Liaison Service (PALS)

During 2016-2017, the Trust has focused on learning from complaints from patients and their families. Action plans are allocated to each complaint as required and complaint responses and actions are reviewed at relevant meetings to inform wider learning.

The process for triaging complaints and PALS has changed to ensure that all complaints are captured formally and the number of complaints in 2016-2017 was 422, which represents a 32% (105) increase compared to 2015-2016 (317).

The PALS team support patients and their families with on the spot resolution and in 2016/17 assisted 1908 patients/families with concerns. This represents a 19% (456) decrease compared to 2015-2017 (2364), which is in keeping with the change in process for triaging concerns raised by patients and their families.

From January 2017, the PALS office location moved on to the main corridor in the ward block, to make it more visible so that patients and their families are able to access the service more easily. In addition, the team is working with wards and departments to raise awareness of their role and the support that they can offer patients and their families.

Some examples of learning and changes in practice that have arisen from complaints are set out below:

- Where two patients with a similar name are on the same ward, they will be nursed in different parts of the ward where possible and an alert will be placed on the ward whiteboard to ensure staff are aware of the potential for error
- Ensure joint working between SATH and RJAH (Robert Jones and Agnes Hunt Orthopaedic Hospital NHS Foundation Trust) booking teams regarding follow-up clinics and sharing of information on prior bookings
- Additional information leaflets printed to be given to patients prior to the procedure
- A standard operating policy is to be developed relating to the process for transferring patients to other hospitals to ensure that where a wait for a bed exceeds an agreed timescale, the hospital then starts the process of contacting other centres to ensure that the patient is transferred as quickly as possible
- The Tissue Viability Lead Nurse has arranged additional training for nursing staff, using an anonymised complaint as a case study.
- Neonatal feeding guideline is being updated to provide more clarity and triage cards and checklists are being developed to support midwife conversations about breastfeeding support and assessment of neonatal health.
- All cleaning on public corridors is now done using battery operated machines to avoid having trailing cables.
- The Dementia Nurse Specialist is working closely with ward staff to deliver training on caring for agitated patients.
- Review of consent procedure for Gastroscopy patients
- Neurology secretaries are keeping a log of all outstanding test results and submit these to available consultants in the absence of the requesting clinician
- Closer working between the End of Life (EOL) Care Team and ward staff to ensure EOL care plan is followed.
- Comprehensive information regarding community services including contact details is given to patients on discharge.
- Phlebotomy records are now retained for twelve months to ensure that they are there to be checked when the blood sample is not reported on.
- Receiving wards now contact patient's relatives when ward transfers take place to ensure that the families are aware.
- Appointment of a new stroke consultant to respond to the increase in demand for stroke and Transient Ischaemic Attack (TIA) follow up to meet national guidelines.
- Partnership in Care documentation prepared for the patient hand held records in maternity care to ensure that past history is taken into account during labour.

n a number of complaints, individual members of staff have been given the opportunity to reflect on the experience of the complainant and the impact of their actions and/or words, and have been able to review their practice.

Going forwards, the Trust intends to continue to monitor actions arising from complaints and to audit these to ensure that all learning is properly embedded into practice. In addition, the Trust is reviewing ways of capturing concerns that are resolved locally by ward and department staff to ensure that any learning and changes in practice from this can be shared more widely.

The Trust is also looking at encouraging more resolution of concerns at a local level to ensure that issues are not escalated to a formal complaint unnecessarily. Systems will be put in place to ensure that all these concerns are also captured so that any trends and learning can be identified.

Cancer Patient Experience Survey

The Trust is committed to participating in, and acting upon, the results of the National Cancer Patient Experience survey. The results of the 2015-2016 survey were very reassuring and demonstrated that the actions taken to improve access to Clinical Nurse Specialists two years previous had made a positive impact. The Trust scored in keeping with the National average in all but 4 areas. In one of these areas as a Trust we were above the National average, however in 3 we fell below. Work has begun to address these areas of concern and also to improve in areas where we currently score well in order for us to excel further so that we are recognised at above National average when the survey is next conducted.

The Trust also ensures that more timely feedback from users of our cancer services is sought in order for any remedial actions to be implemented and for positive improvements to be rolled out across other areas. Additional local surveys are carried out specific to targeted areas e.g. the Hamar Help and Support Centre, the response from which has been exceptionally positive.

West Midlands Quality Review Service (WMQRS)

The WMQRS exists to support NHS organisations in the West Midlands in improving the quality of health services by undertaking reviews of the quality of clinical services. In May 2015 the WMQRS conducted a local health economy quality review of the way that the transfer patients from the acute hospital setting into intermediate and community services.

The WMQRS told the Trust that we improve the way we supply patients with medications (TTO) on discharge from hospital.

The Trust used a rapid improvement model to review and improve the way that TTO are dispensed and delivered to patients on the ward.

The WMQRS told the trust that we needed to provide patients with more information about the treatment they had received in hospital, what their plan was for on-going care and treatment and what to do if they encountered a problem when they arrived home.

The Trust now gives very patient who is discharged from our care a copy of the same letter that we send to their GP. This contains a comprehensive account of their treatment and on-going care. We audit this process to ensure that the Trust is consistently making sure that this happens.

The WMQRS to the Trust that we needed to work with other local health care partners to ensure that the quality of information we provided when we transferred a patient from our care, ensured that the transfer was timely, safe and effective.

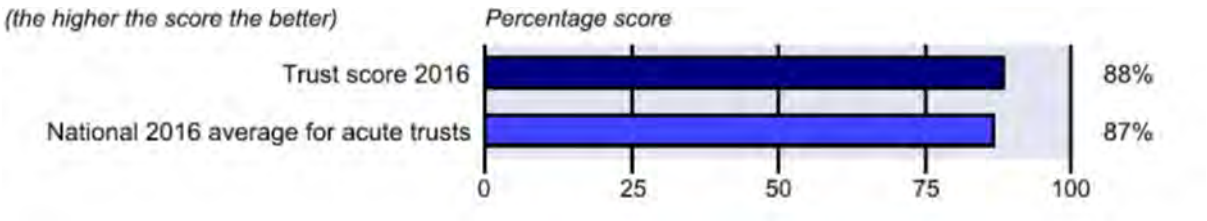
The Trust has held workshops with our community partners to identify and share best practice to help achieve safe and effective transfer of care for patients. We regularly audit the patient's experiences of discharge to ensure we are delivering a good quality transfer of care and identify any areas for improvement.

NHS Staff Survey

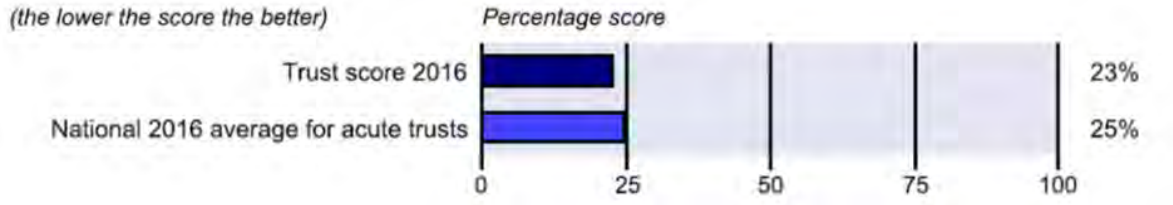
One of the ways that we measure whether we have an open culture in our Trust is through the annual NHS Staff Survey. Last year we said that our score for staff confidence and security in reporting concerns was slightly below the average for Trusts like SaTH across the NHS.
We wanted to make sure that this improved and that our staff felt safe to report concerns that they might have about patient safety in our services so that these may be investigated and addressed.

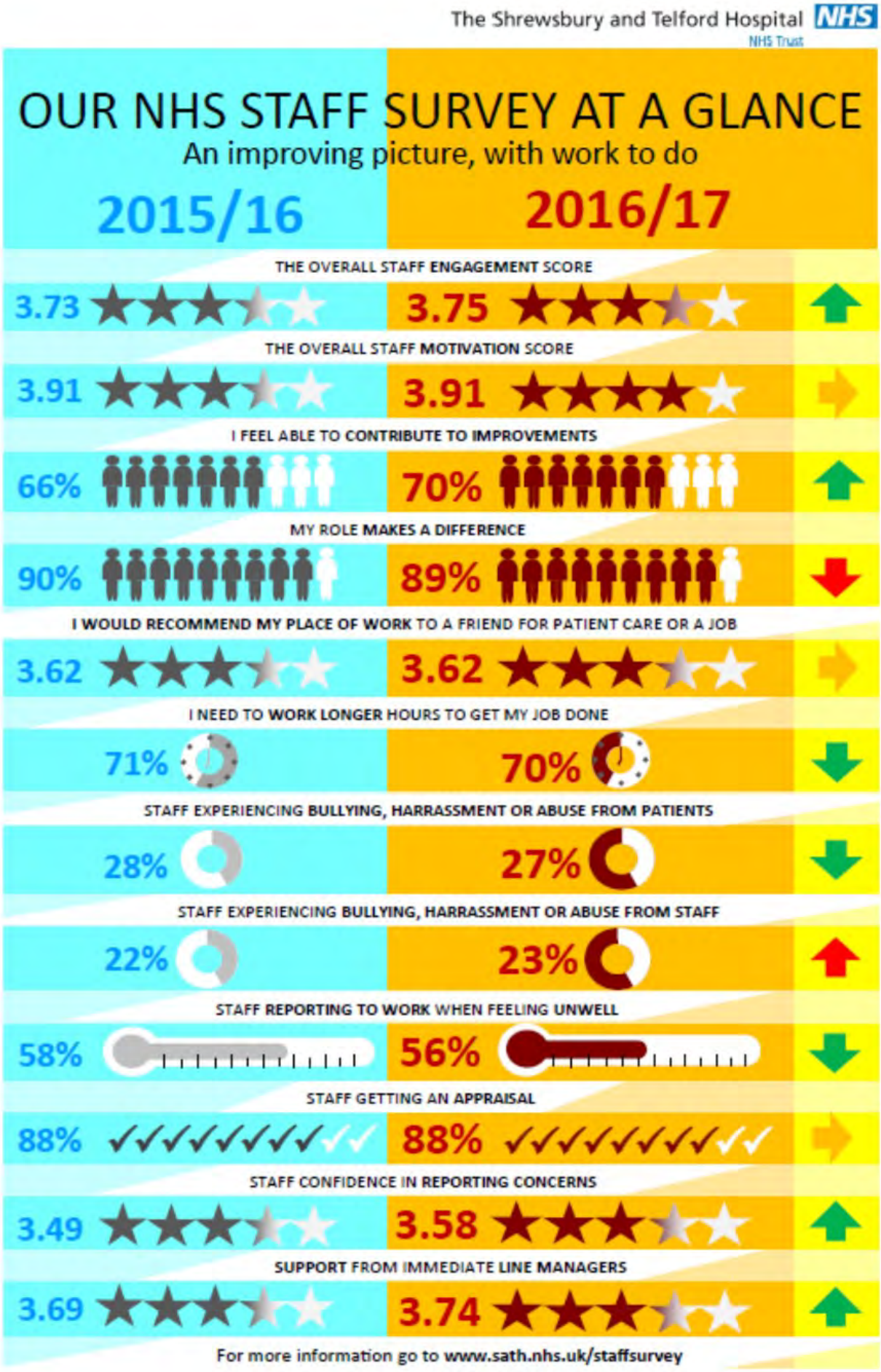
Whilst we have seen an improvement in our score from 2015, it is still below the national average so we know that we still need to prioritise this over the coming year.

We have put the key results from the staff survey into the diagram below. In addition we are specifically required to report on the following two indicators:



KF26. Percentage of staff experiencing harassment, bullying or abuse from staff in the last 12




The Shrewsbury and Telford Hospital NHS
NHS Trust
OUR NHS STAFF SURVEY AT A GLANCE
An improving picture, with work to do
2015/16
2016/17
THE OVERALL STAFF ENGAGEMENT SCORE
3.73
3.75
THE OVERALL STAFF MOTIVATION SCORE
3.91
3.91
I FEEL ABLE TO CONTRIBUTE TO IMPROVEMENTS
66%
70%
MY ROLE MAKES A DIFFERENCE
90%
89%
I WOULD RECOMMEND MY PLACE OF WORK TO A FRIEND FOR PATIENT CARE OR A JOB
3.62
3.62
I NEED TO WORK LONGER HOURS TO GET MY JOB DONE
71%
70%
STAFF EXPERIENCING BULLYING, HARRASSMENT OR ABUSE FROM PATIENTS
28%
27%
STAFF EXPERIENCING BULLYING, HARRASSMENT OR ABUSE FROM STAFF
22%
23%
STAFF REPORTING TO WORK WHEN FEELING UNWELL
58%
56%
STAFF GETTING AN APPRAISAL
88%
88%
STAFF CONFIDENCE IN REPORTING CONCERNS
3.49
3.58
SUPPORT FROM IMMEDIATE LINE MANAGERS
3.69
3.74
For more information go to www.sath.nhs.uk/staffsurvey

How do we keep everyone informed of the latest news and developments?

We have several ways of keeping colleagues at our two main sites and our other satellite sites up to date with all the news and developments that happen at such a busy and vibrant Trust.

The methods of reaching our staff include our weekly/biweekly newsletter Chatterbox, a weekly message from a member of the Trust Board with specific topical information, One Minute Briefs for flash messages that are used for alerting staff to new initiatives, patient safety messages or other updates and our very helpful and informative staff intranet which all staff use to access the information and technology they need in their day to day work.

We engage with members of the public and staff through our twitter feed (@sath) and advertise job opportunities not only through NHS Jobs but also via Facebook and Twitter (@SaTHjobs).

Additionally specific clinical areas have worked with patients to help them access the information that they need through their journey with us. For example, an innovative App has been developed to help patients understand and monitor the side effects of chemotherapy treatment and the long-term follow-up of prostate cancer.

The App which was funded by the Lingen Davies Cancer Fund, was launched at the Royal Shrewsbury Hospital in December 2016. The App focuses on enabling patient-centred care through information and technology, it is packed with important information about chemotherapy and advice about when to contact the helpline to ensure patients are seen at the earliest opportunity. It is hoped the technological advance will result in fewer chemotherapy patients being admitted to hospital as an emergency."

The exciting digital health solution is being produced as a result of extensive consultation between patients and clinicians about how the Trust can improve the way in which people with cancer can access services.

The team developing the App will showcase its innovative Cancer App at a prestigious national health conference in July 2017.

Section five: Statements from our partners

Statement from Shropshire Council:

Shropshire Council's Health and Adult Care Scrutiny Committee is unable to provide comments on the 2016/17 Quality Account due to the fact that the national timetable for Scrutiny Committees to comment on Quality Accounts coincides with the pre-election period of Shropshire Council's elections and the appointment of the new Scrutiny Committee at Annual Council.

Statement from Shropshire Clinical Commissioning Group for Shrewsbury and Telford Hospitals NHS Trust (SaTH) Quality Account for 2016/17.

NHS Shropshire Clinical Commissioning Group

Shropshire CCG acts as the co-ordinating Commissioner working closely with Telford & Wrekin CCG for Shrewsbury and Telford Hospitals NHS Trust (SaTH). We welcome the opportunity to review and provide a statement for the Trust's Quality Account for 2016/17. This Quality Account has been reviewed in accordance with the National Health Service (Quality Accounts) Amendment Regulations 2011 and the National Health Service (quality Account) Amendment Regulations 2012.

Both CCGs remain committed to ensuring with partner organisations, that the services it commissions provide the highest of standards in respect to clinical quality, safety and patient experience.

It has been a challenging year for the Trust as referenced in their Quality Account, which includes the difficulties experienced due to a high demand for healthcare over a protracted winter period with some patients waiting to be seen longer that expected to access hospital services. It is recognised by Commissioners that the Trust and its staff demonstrate both resilience and dedication to ensure a continued focus to ensure it delivers safe and effective services. This is demonstrated in the Quality Account with the successes the Trust has achieved through the partnership work with Virginia Mason Institute in Seattle and the Transforming Care Institute to deliver their vision.

The key successes of the 4 value work streams of the Transforming Care Institute of 2016/17 are clearly reflected in the Quality Account and commissioners welcome the opportunity to see your table of reviews of services for 2017/18 including endoscopy, maternity and a network review of Neonatal services and look forwarding to seeing progress on these during the coming year.

We congratulate the Trust in consistently maintaining improvements in 2 main areas;

- Mortality performance over the past 5 years and continuing to build on the lessons learnt from the reviews of deaths.
- Participation in research with an increase in the total number recruited to clinical trials.

We recognise the work undertaken by the Trust to improve the quality of patient care and patient experience through the 2016/17 CQUIN schemes. We would have expected that the impact of these schemes were given in greater detail in the quality account. Equally we acknowledge the work undertake by the Trust for the "Sign up to Safety" initiative, we would have expected a reference to the safety improvement plan the Trust has developed to support this ongoing work.

The Trust Reported 4 Never Events in 2016/17 which triggered in depth reviews and improvements in practice by the Trust. As part of the assurance process commissioners visited the hospitals operating theatre departments and were pleased with the measures which have been put in place to improve patient safety and experience in these areas. We would however have expected more emphasises on learning the lessons from the Never Events, how these will be monitored across the Trust.

The Trust reported a similar number of serious incidents as reported in 2015/16 and 12 were related to diagnostic delays. We would have expected that the learning from these were included in the narrative of the Quality Account. Whereas, examples of the learnings from the complaints the Trust had reported were clearly captured in the report.

The CCG whilst recognising the work being undertaken by the Trust to improve the safety and experience of mothers and babies continue to have significant concerns and await the outcome of the Secretary of State Review of Avoidable Baby Deaths. This in turn has led to enhanced scrutiny of those services including the CCG Commissioned MLU review and increased surveillance of maternity services through a jointly agreed enhanced maternity services CQRM from June 2017.

The Trust has highlighted a number of fragile services and it is important that the Trust continues to systematically manage and report on patient safety within those services and proactively monitor patient experience.

We would ask the Trust to revisit the Infection Prevention Control (IPC) section in the report given its narrative content is unclear and limited particularly in relation to actions the Trust needs to address to make IPC improvements.

We acknowledge the Trust's work to strengthen the adult safeguarding process, this would have been greater assisted to mention the ways that safeguarding has been strengthen and what the impact has been. It would have been particularly interesting to see analysis of safeguarding concerns for both adults and children services and the outcomes.

On a positive note, the Trust should be congratulated on their results from the 2016 staff satisfaction survey and 99% of the staff knew the Trusts values. We look forward to the Trust's continued progress during 2017/18.

We note the achievement of the Trusts key priorities for 2016/17 including the Exemplar Programme and the impact of the implementation with the new RaTE assessment system which has reduced the amount of time completing individual audits resulting in more time to focus on caring for patients, the Trust's culture of openness and improvements in nutrition and hydration. Commissioners look forward to seeing further progress and with continued improvements in these areas during 2017/18.

We are pleased to see the Trust's priorities for 2017/18 include; delivery of the Red to Green (R2G) principles, enhance a more customer focused approach and the leadership and culture of the organisation.

We wait to receive the Trust's Care Quality Commission (CQC) planned inspection report of December 2016 to review how the Trust has progressed since the previous inspection the CQC carried out in 2014 particularly against the areas where they felt the Trust most needed to improve.

The CCGs remain committed to working closely during 2017/18 with the Trust's clinicians and managers, monitoring service delivery and performance through monthly Clinical Quality Review meetings and addressing any issues with regards to the quality and safety of patient care.

<u>Accuracy of Information contained with the Quality Account 2016/17</u>
The CCG has taken the opportunity to check the accuracy of relevant data presented in the draft version of the document received and has raised several queries, which the Trust has confirmed will be revised in the final version of the Quality Account.

Section six: External Audit Limited Assurance Report

INDEPENDENT AUDITORS' LIMITED ASSURANCE REPORT TO THE DIRECTORS OF SHREWSBURY & TELFORD HOSPITAL NHS TRUST ON THE ANNUAL QUALITY ACCOUNT

We are required to perform an independent assurance engagement in respect of Shrewsbury & Telford Hospital NHS Trust's Quality Account for the year ended 31 March 2017 ("the Quality Account") and certain performance indicators contained therein as part of our work. NHS trusts are required by section 8 of the Health Act 2009 to publish a quality account which must include prescribed information set out in The National Health Service (Quality Account) Regulations 2010, the National Health Service (Quality Account) Amendment Regulations 2011 and the National Health Service (Quality Account) Amendment Regulations 2012 ("the Regulations ").

Scope and subject matter

The indicators for the year ended 31 March 2017 subject to limited assurance consist of the following indicators:

- Rate of clostridium difficile infections
- Friends and Family Test patient score element

We refer to these two indicators collectively as "the indicators".

Respective responsibilities of Directors and auditors

The Directors are required under the Health Act 2009 to prepare a Quality Account for each financial year. The Department of Health has issued guidance on the form and content of annual Quality Accounts (which incorporates the legal requirements in the Health Act 2009 and the Regulations) .

In preparing the Quality Account, the Directors are required to take steps to satisfy themselves that:

- the Quality Account presents a balanced picture of the trust's performance over the period covered;
- the performance information reported in the Quality Account is reliable and accurate;
- there are proper internal controls over the collection and reporting of the measures of performance included in the Quality Account, and these controls are subject to review to confirm that they are working effectively in practice;
- the data underpinning the measures of performance reported in the Quality Account is robust and reliable, conforms to specified data quality standards and prescribed definitions, and is subject to appropriate scrutiny and review; and
- the Quality Account has been prepared in accordance with Department of Health guidance.

The Directors are required to confirm compliance with these requirements in a statement of directors' responsibilities within the Quality Account.

Our responsibility is to form a conclusion, based on limited assurance procedures, on whether anything has come to our attention that causes us to believe that:

- the Quality Account is not prepared in all material respects in line with the criteria set out in the Regulations ;
- the Quality Account is not consistent in all material respects with the sources specified in the NHS Quality Accounts Auditor Guidance 2014-15 published on the NHS Choices website in March 2015 ("the Guidance"); and
- the indicators in the Quality Account identified as having been the subject of limited assurance in the Quality Account are not reasonably stated in all material respects in accordance with the Regulations and the six dimensions of data quality set out in the Guidance.

We read the Quality Account and conclude whether it is consistent with the requirements of the Regulations and to consider the implications for our report if we become aware of any material omissions.

We read the other information contained in the Quality Account and consider whether it is materially inconsistent with:

- Board minutes for the period April 2016 to June 2017;
- papers relating to quality reported to the Board over the period April 2016 to June 2017;
- feedback from the Commissioners;
- feedback from Local Healthwatch;
- the Trust's complaints report published under regulation 18 of the Local Authority , Social Services and NHS Complaints (England) Regulations 2009;
- the latest national patient survey dated May 2017;
- the latest national staff survey dated 2016 ;
- the Head of Internal Audit's annual opinion over the trust's control environment dated May 2017;and
- the annual governance statement dated 30thMay 2017;

We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with these documents (collectively the "documents "). Our responsibilities do not extend to any other information.

This report, including the conclusion, is made solely to the Board of Directors of Shrewsbury & Telford Hospital NHS Trust.

We permit the disclosure of this report to enable the Board of Directors to demonstrate that they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the indicators. To the fullest extent permissible by law, we do not accept or assume responsibility to anyone other than the Board of Directors as a body and Shrewsbury & Telford Hospital NHS Trust for our work or this report save where terms are expressly agreed and with our prior consent in writing.

Assurance work performed

We conducted this limited assurance engagement under the terms of the Guidance. Our limited assurance procedures included:

- evaluating the design and implementation of the key processes and controls for managing and reporting the indicators;
- making enquiries of management;
- limited testing , on a selective basis, of the data used to calculate the indicator back to supporting documentation;
- comparing the content of the Quality Account to the requirements of the Regulations ; and
- reading the documents.

A limited assurance engagement is narrower in scope than a reasonable assurance engagement. The nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable **assurance engagement.**

Limitations

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information.

The absence of a significant body of established practice on which to draw allows for the selection of different but acceptable measurement techniques which can result in materially different measurements and can impact comparability. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision thereof, may change over time. It is important to read the Quality Account in the context of the criteria set out in the Regulations.

The nature, form and content required of Quality Accounts are determined by the Department of Health. This may result in the omission of information relevant to other users, for example for the purpose of comparing the results of different NHS organisations.

In addition, the scope of our assurance work has not included governance over quality or non- mandated indicators which have been determined locally by Shrewsbury & Telford Hospital NHS Trust.

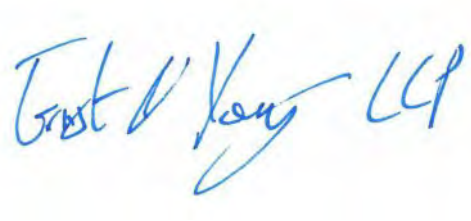
Basis for qualified conclusion

We were unable to test the accuracy, validity and reliability of the data for the reported Friends and Family Test indicator as the Trust does not retain the supporting records. The indicator reporting the Friends and Family Patient element score therefore did not meet the accuracy, validity and reliability dimensions of data quality set out in the testing requirements.

Qualified conclusion

Based on the results of our procedures, with the exception of the matter reported in the basis for qualified conclusion paragraph above, nothing has come to our attention that causes us to believe that, for the year ended 31 March 2017:

- the Quality Account is not prepared in all material respects in line with the criteria set out in the Regulations ;
- the Quality Account is not consistent in all material respects with the sources specified in the Guidance; and
- the indicators in the Quality Account subject to limited assurance have not been reasonably stated in all material respects in accordance with the Regulations and the six dimensions of data quality set out in the Guidance.



Ernst & Young

No 1 Colmore Square Manchester

30 June 2017

The maintenance and integrity of the Shrewsbury & Telford Hospital NHS Trust web site is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the Quality Accounts since they were initially presented on the web site.

Legislation in the United Kingdom governing the preparation and dissemination of the Quality Accounts may differ from legislation in other jurisdictions

Section seven: Glossary of Terms and acknowledgements

Care Quality Commission (CQC)	The Care Quality Commission is the independent regulator of health and social care in England. It regulates health and adult social care services, whether provided by the NHS, local authorities, private companies or voluntary organisations. See www.cqc.org.uk
Clinical Audit	Clinical Audit is a way to find out if healthcare is being provided in line with standards and allows care providers and patients know where a service is doing well and where there could be improvement. The aim is to make those improvements to improve outcomes for patients.
Clinical Research	Clinical research is a branch of healthcare science that determines the safety and effectiveness of medications, devices, diagnostic products and treatment regimens intended for human use. These may be used for prevention, treatment, diagnosis or for relieving symptoms of a disease. Clinical research is different from clinical practice. In clinical practice established treatments are used, while in clinical research evidence is collected to establish a treatment.
Clostridium Difficile (C Diff)	Clostridium Difficile, also known as C. Difficile or C. Diff, is a bacterium that can infect the bowel and cause diarrhoea. The infection most commonly affects people who have recently been treated with antibiotics but can spread easily to others. C. Difficile infections are unpleasant and can sometimes cause serious bowel problems, but they can usually be treated with another course of antibiotics
Commissioners	Commissioners are responsible for ensuring adequate services are available for their local population by assessing needs and purchasing services. Clinical Commissioning Groups (CCG) in England and Local Health Boards (LHBs) in Wales are the key organisations responsible for commissioning healthcare services for their area. Shropshire CCG, Telford and Wrekin CCG and Powys Teaching Health Board purchase acute hospital services from The Shrewsbury and Telford Hospital NHS Trust for the population of Shropshire, Telford & Wrekin and mid Wales. See www.shropshire.nhs.uk, www.telford.nhs.uk and www.powysthb.wales.nhs.uk
Commissioning for Quality and Innovation (CQUIN)	A payment framework introduced in the NHS in 2009/10 which means that a proportion of the income of providers of NHS services is conditional on meeting agreed targets for improving quality and innovation. See www.institute.nhs.uk/cquin
Equality and Delivery System Two (EDS2)	EDS2 s a system that helps NHS organisations improve the services they provide for their local communities and provide better working environments, free of discrimination, for those who work in the NHS, while meeting the requirements of the Equality Act 2010. The EDS was developed by the NHS, for the NHS, taking inspiration from existing work and good practice.
Exemplar Ward Programme	The Exemplar Programme represents our vision and aspirations for our Trusts. The core standards build upon our previous achievements and ambitions for Nursing and Midwifery to be the best in the NHS. The patient experience will be at the centre of Exemplar.
Health Research Authority (HRA)	The HRA protects and promotes the interests of patients and the public in health and social care research.
Health and Social Care Information Centre (HSCIC)	HSCIC (now called NHS Digital) provides national information, data and IT systems for health and care services.
Healthcare Quality Improvement Partnership (HQIP)	HQIP is an independent organisation lead by the Academy of Medical Royal Colleges, The Royal College of Nursing and National Voices. It was established in April 2008 to promote quality in healthcare and in particular to increase the impact that clinical audit has on healthcare quality improvement.

Learning Disability Mortality Review (LeDeR)	LeDeR was set up as a result of one of the key recommendations of the Confidential Inquiry into premature deaths of people with a Learning Disability (CIPOLD). It aims to make improvements in the quality of health and social care for people with learning disability and to reduce premature deaths in this population.
Learning from Deaths	Learning from deaths of people in their care can help providers improve the quality of the care they provide to patients and their families, and identify where they could do more. A CQC review in December 2016, 'Learning, candour and accountability: a review of the way trusts review and investigate the deaths of patients in England opens in a new window found that some providers were not giving learning from deaths sufficient priority and so were missing valuable opportunities to identify and make improvements in quality of care. In March 2017, the National Quality Board (NQB) introduced new guidance for NHS providers on how they should learn from the deaths of people in their care.
Methicillin-resistant Staphylococcus Aureus (MRSA)	MRSA is a bacterium responsible for several difficult-to-treat infections.
National Clinical Audit and Patient Outcomes Programme (NCEPOP)	This programme consists of more than 30 national audits related to some of the most commonly occurring conditions. These collect and analyse data supplied by local clinicians to provide a national picture of care standards for that specific condition. On al local level, the audits provide trusts with individual benchmarked reports on their compliance and performance, feeding back comparative findings to help participants identify necessary improvement for patients.
National Institute for Health and Care Excellence (NICE)	NICE provides national guidance and advice to improve health and social care.
National Institute for Health Research (NIHR)	NIHR is funded by the Department of Health to improve the health and wealth of the nation through research.
National Mortality Case Record Review (NMCRR)	NMCRR aims to improve understanding and learning about problems and processes in healthcare associated with mortality and also to share best practice.
Never Events	Serious, largely preventable patient safety incidents that should not occur if the available preventative measures have been implemented.
NHS Outcomes Framework	The NHS Outcomes Framework sets out the indicators that will be used to hold NHS England to account for improvements in health outcomes
Nurse Associate Role	The Nursing Associate role is a new support role that will sit alongside existing healthcare support workers and fully-qualified registered nurses to deliver hands-on care for patients. Following huge interest some 2,000 people are now in training with providers across England. (https://hee.nhs.uk/our-work/developing-our-workforce/nursing/nursing-associate-new-support-role-nursing)
Pressure Ulcers	Pressure ulcers are also known as pressure sores, or bed sores. They occur when the skin and underlying tissue becomes damaged. In very serious cases, the underlying muscle and bone can also be damaged. See www.nhs.uk/conditions/pressure-ulcers
Red to Green (R2G)	The R2G approach is a visual management system to assist in the identification of wasted time in a patient's journey. It can be used in wards in both acute and community settings as part of the Safer Care Bundle (https://improvement.nhs.uk/resources/safer-patient-flow-bundle/)
Workforce Race Equality Scheme	Implementing the Workforce Race Equality Standard (WRES) is a requirement for NHS commissioners and NHS provider organisations. The NHS Equality and Diversity Council announced on 31 July 2014 that it had agreed action to ensure employees from black and minority ethnic (BME) backgrounds have equal access to career opportunities and receive fair treatment in the workplace.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Appendix 2

Annual Accounts (Financial Statements)

Data entered below will be used throughout the workbook:

Trust name	Shrewsbury and Telford Hospital NHS Trust
This year	2016-17
Last year	2015-16
This year ended	31 March 2017
Last year ended	31 March 2016
This year commencing:	1 April 2016
Last year commencing:	1 April 2015

Accounts 2016-17

Statement of Comprehensive Income for year ended 31 March 2017

	NOTE	2016-17 £000s	2015-16 £000s
Gross employee benefits	9.1	**(234,620)**	(226,186)
Other operating costs	7	**(116,786)**	(125,712)
Revenue from patient care activities	4	**314,664**	304,032
Other operating revenue	5	**35,580**	22,445
Operating deficit		**(1,162)**	(25,421)
Investment revenue	11	**22**	28
Other gains and (losses)	12	**0**	(163)
Finance costs	13	**(310)**	(201)
Deficit for the financial year		**(1,450)**	(25,757)
Public dividend capital dividends payable		**(4,259)**	(5,271)
Retained surplus/(deficit) for the year		**(5,709)**	(31,028)

Other Comprehensive Income

	2016-17 £000s	2015-16 £000s
Impairments and reversals taken to the revaluation reserve	**(1,711)**	(39,752)
Net gain/(loss) on revaluation of property, plant & equipment	**5,482**	19,016
Total Other Comprehensive Income for the year	**3,771**	**(20,736)**
Total comprehensive income for the year	**(1,938)**	**(51,764)**

Financial performance for the year

Retained deficit for the year		**(5,709)**	(31,028)
Impairments (excluding IFRIC 12 impairments)	17	**483**	16,572
Adjustments in respect of donated asset reserve elimination		**(405)**	(193)
Adjusted retained deficit		**(5,631)**	(14,649)

A Trust's Reported NHS financial performance position is derived from its retained surplus/(deficit) and adjusted for the following:-

Impairments to Fixed Assets - an impairment charge is not considered part of the organisation's operating position.
Adjustments relating to donated asset reserves which have now been eliminated.

PDC dividends have been overpaid or underpaid in aggregate, the amounts due to or from the Trust are:

PDC dividend: balance receivable at 31 March	**32**	**627**

The notes on pages 7 to 38 form part of this account.

Statement of Financial Position as at 31 March 2017

	NOTE	31 March 2017 £000s	31 March 2016 £000s
Non-current assets:			
Property, plant and equipment	15	**164,219**	158,476
Intangible assets	16	**2,977**	2,267
Investment property	18	**0**	0
Other financial assets		**0**	0
Trade and other receivables	21.1	**1,464**	1,317
Total non-current assets		**168,660**	162,060
Current assets:			
Inventories	20	**7,860**	7,875
Trade and other receivables	21.1	**14,582**	8,829
Other financial assets	23	**0**	0
Other current assets	24	**0**	0
Cash and cash equivalents	25	**5,682**	1,700
Sub-total current assets		**28,124**	18,404
Non-current assets held for sale	26	**0**	0
Total current assets		**28,124**	18,404
Total assets		**196,784**	180,464
Current liabilities			
Trade and other payables	27	**(26,864)**	(22,992)
Other liabilities	28	**0**	0
Provisions	34	**(601)**	(561)
Borrowings	29	**0**	0
Other financial liabilities	30	**0**	0
DH revenue support loan	29	**0**	0
DH capital loan	29	**0**	0
Total current liabilities		**(27,465)**	(23,553)
Net current assets/(liabilities)		**659**	(5,149)
Total assets less current liabilities		**169,319**	156,911
Non-current liabilities			
Trade and other payables	27	**0**	0
Other liabilities	28	**0**	0
Provisions	34	**(214)**	(175)
Borrowings	29	**0**	0
Other financial liabilities	30	**0**	0
DH revenue support loan	29	**(24,507)**	(12,700)
DH capital loan	29	**0**	0
Total non-current liabilities		**(24,721)**	(12,875)
Total assets employed:		**144,598**	144,036
FINANCED BY:			
Public Dividend Capital		**199,606**	197,106
Retained earnings		**(87,762)**	(82,053)
Revaluation reserve		**32,754**	28,983
Total Taxpayers' Equity:		**144,598**	144,036

The notes on pages 7 to 38 form part of this account.

The financial statements on pages 2 to 6 were approved by the Board on 1 June 2017 and signed on its behalf by

Chief Executive: Date: 30/5/17

Statement of Changes in Taxpayers' Equity
For the year ending 31 March 2017

	Public Dividend capital	Retained earnings	Revaluation reserve	Total reserves
	£000s	£000s	£000s	£000s
Balance at 1 April 2016	**197,106**	**(82,053)**	**28,983**	**144,036**
Changes in taxpayers' equity for 2016-17				
Retained deficit for the year		(5,709)		**(5,709)**
Net gain / (loss) on revaluation of property, plant, equipment			5,482	**5,482**
Net gain / (loss) on revaluation of intangible assets			0	**0**
Net gain / (loss) on revaluation of financial assets			0	**0**
Net gain / (loss) on revaluation of available for sale financial assets			0	**0**
Impairments and reversals			(1,711)	**(1,711)**
Other gains/(loss)				**0**
Transfers between reserves		0	0	**0**
Reclassification Adjustments				
On disposal of available for sale financial assets			0	**0**
Reserves eliminated on dissolution		0	0	**0**
Originating capital for Trust established in year	0			**0**
Temporary and permanent PDC received - cash	2,500			**2,500**
Temporary and permanent PDC repaid in year	0			**0**
PDC written off	0	0		**0**
Net recognised revenue/(expense) for the year	**2,500**	**(5,709)**	**3,771**	**562**
Balance at 31 March 2017	**199,606**	**(87,762)**	**32,754**	**144,598**

Balance at 1 April 2015	**199,606**	**(51,025)**	**49,719**	**198,300**
Changes in taxpayers' equity for the year ended 31 March 2016				
Retained deficit for the year		(31,028)		(31,028)
Net gain / (loss) on revaluation of property, plant, equipment			19,016	19,016
Net gain / (loss) on revaluation of intangible assets			0	0
Net gain / (loss) on revaluation of financial assets			0	0
Net gain / (loss) on revaluation of assets held for sale			0	0
Impairments and reversals			(39,752)	(39,752)
Other gains / (loss)				0
Transfers between reserves		0	0	0
Reclassification Adjustments				
On disposal of available for sale financial assets			0	0
New PDC received - cash	0			0
PDC repaid in year	(2,500)			(2,500)
Net recognised revenue/(expense) for the year	**(2,500)**	**(31,028)**	**(20,736)**	**(54,264)**
Balance at 31 March 2016	**197,106**	**(82,053)**	**28,983**	**144,036**

Information on reserves

1 **Public dividend capital**
Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities. Additional PDC may also be issued to NHS trusts by the Department of Health. A charge, reflecting the cost of capital utilised by the NHS foundation trust, is payable to the Department of Health as the public dividend capital dividend.

2 **Income and expenditure reserve**
The balance of this reserve is the accumulated surpluses and deficits of the NHS trust.

3 **Revaluation Reserve**
Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse impairments previously recognised in operating expenses, in which case they are recognised in operating income. Subsequent downward movements in asset valuations are charged to the revaluation reserve to the extent that a previous gain was recognised unless the downward movement represents a clear consumption of economic benefit or a reduction in service potential.

Statement of Cash Flows for the Year ended 31 March 2017

	NOTE	2016-17 £000s	2015-16 £000s
Cash Flows from Operating Activities			
Operating deficit		**(1,162)**	(25,421)
Depreciation and amortisation	7	**10,497**	8,217
Impairments and reversals	17	**483**	16,572
Other gains/(losses) on foreign exchange		**0**	0
Donated Assets received credited to revenue but non-cash		**0**	0
Government Granted Assets received credited to revenue but non-cash		**0**	0
(Increase)/Decrease in Inventories		**15**	(634)
(Increase)/Decrease in Trade and Other Receivables		**(6,495)**	6,846
(Increase)/Decrease in Other Current Assets		**0**	0
Increase/(Decrease) in Trade and Other Payables		**(1,611)**	4,016
(Increase)/Decrease in Other Current Liabilities		**0**	0
Provisions utilised		**(437)**	(471)
Increase in movement in non cash provisions		**492**	362
Net Cash Inflow from Operating Activities		1,782	9,487
Cash Flows from Investing Activities			
Interest Received		**22**	28
Payments for Property, Plant and Equipment		**(7,489)**	(12,235)
Payments for Intangible Assets		**(700)**	(815)
Payments for Investments with DH		**0**	0
Payments for Other Financial Assets		**0**	0
Proceeds of disposal of assets held for sale (PPE)		**0**	37
Proceeds of disposal of assets held for sale (Intangible)		**0**	0
Proceeds from Disposal of Investment with DH		**0**	0
Proceeds from Disposal of Other Financial Assets		**0**	0
Rental Revenue		**0**	0
Net Cash Outflow from Investing Activities		(8,167)	(12,985)
Net Cash Outflow before Financing		**(6,385)**	(3,498)
Cash Flows from Financing Activities			
Gross Temporary and Permanent PDC Received		**2,500**	0
Gross Temporary and Permanent PDC Repaid		**0**	(2,500)
Loans received from DH - New Capital Investment Loans		**0**	0
Loans received from DH - New Revenue Support Loans		**17,996**	27,011
Other Loans Received		**0**	0
Loans repaid to DH - Capital Investment Loans Repayment of Principal		**0**	0
Loans repaid to DH - Working Capital Loans/Revenue Support Loans		**(6,189)**	(14,311)
Other Loans Repaid		0	0
Interest paid		**(276)**	(168)
PDC Dividend (paid)/refunded		**(3,664)**	(5,835)
Capital grants and other capital receipts (excluding donated/government granted cash receipts)		**0**	0
Net Cash Inflow/(Outflow) from Financing Activities		10,367	4,197
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		3,982	699
Cash and Cash Equivalents (and Bank Overdraft) at Beginning of the Period		**1,700**	1,001
Effect of exchange rate changes in the balance of cash held in foreign currencies		**0**	0
Cash and Cash Equivalents (and Bank Overdraft) at year end	**25**	5,682	1,700

NOTES TO THE ACCOUNTS

1. Accounting Policies

The Secretary of State for Health has directed that the financial statements of NHS trusts shall meet the accounting requirements of the Department of Health Group Manual for Accounts, which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the DH Group Manual for Accounts 2016-17 issued by the Department of Health. The accounting policies contained in that manual follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the Manual for Accounts permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the trust for the purpose of giving a true and fair view has been selected. The particular policies adopted by the trust are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

1.1 Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets, inventories and certain financial assets and financial liabilities.

Going Concern

These accounts have been prepared on a going concern basis.The Board of Directors has concluded that the Trust is able to demonstrate that it is a going concern on the following basis:

- The Department of Health and NHS Improvement have confirmed the Trust's arrangements for accessing cash financing for organisations that have submitted a deficit plan for 2017/18. The NHS Improvement Accountability Framework sets out the process where an NHS Trust will be assisted to develop and agreement of a formal recovery plan to address deficit positions.
- Arrangements are in place for the delivery of cost improvement plans through Executive Director meetings.
- The Trust is working with NHSI to obtain STF funding for the continued operations of The Trust.

1.2 Acquisitions and discontinued operations

Activities are considered to be 'acquired' only if they are taken on from outside the public sector. Activities are considered to be 'discontinued' only if they cease entirely. They are not considered to be 'discontinued' if they transfer from one public sector body to another.

1.3 Movement of assets within the DH Group

The Trust had no transfers of assets and liabilities from any organisation within the DH Group.

1.4 Charitable Funds

Under the provisions of IAS 27 Consolidated and Separate Financial Statements, those Charitable Funds that fall under common control with NHS bodies are consolidated within the entity's financial statements. The Trust considers transactions, assets and liabilities of the NHS Charity are immaterial in 2016-17 but this is assessed annually depending on the NHS Trust's accounts as well as the NHS Charity's accounts.

1.5 Pooled Budgets

The Trust has no pooled budget arrangements.

1.6 Critical accounting judgements and key sources of estimation uncertainty

In the application of the NHS trust's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates and the estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

1.6.1 Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below) that management has made in the process of applying the NHS trust's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

1.6.2 Key sources of estimation uncertainty

Key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are included in the relevant accounting policy note.

NOTES TO THE ACCOUNTS

1.7 **Revenue**

Revenue in respect of services provided is recognised when, and to the extent that, performance occurs, and is measured at the fair value of the consideration receivable. The main source of revenue for the trust is from commissioners for healthcare services. Revenue relating to patient care spells that are part-completed at the year end are apportioned across the financial years on the basis of length of stay at the end of the reporting period compared to expected total length of stay.

Where income is received for a specific activity that is to be delivered in the following year, that income is deferred.

The NHS trust receives income under the NHS Injury Cost Recovery Scheme, designed to reclaim the cost of treating injured individuals to whom personal injury compensation has subsequently been paid e.g. by an insurer. The NHS trust recognises the income when it receives notification from the Department of Work and Pension's Compensation Recovery Unit that the individual has lodged a compensation claim. The income is measured at the agreed tariff for the treatments provided to the injured individual, less a provision for unsuccessful compensation claims and doubtful debts.

1.8 **Employee Benefits**

Short-term employee benefits

Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees. The cost of leave earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry forward leave into the following period.

Retirement benefit costs

Past and present employees are covered by the provisions of the NHS Pension Schemes. These schemes are unfunded, defined benefit schemes that cover NHS employers, General Practices and other bodies, allowed under the direction of the Secretary of State in England and Wales. The schemes are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, the schemes are accounted for as though they were defined contribution schemes: the cost to the NHS body of participating in a scheme is taken as equal to the contributions payable to the scheme for the accounting period.

For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to expenditure at the time the NHS trust commits itself to the retirement, regardless of the method of payment.

The schemes are subject to a full actuarial valuation every four years and an accounting valuation every year.

1.9 **Other expenses**

Other operating expenses are recognised when, and to the extent that, the goods or services have been received. They are measured at the fair value of the consideration payable.

NOTES TO THE ACCOUNTS

1.10 Property, plant and equipment

Recognition

Property, plant and equipment is capitalised if:

- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to, or service potential will be supplied to the NHS trust;
- it is expected to be used for more than one financial year;
- the cost of the item can be measured reliably; and either
- the item cost at least £5,000; or
- Collectively, a number of items have a total cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control.

Where a large asset, for example a building, includes a number of components with significantly different asset lives, the components are treated as separate assets and depreciated over their own useful economic lives.

Valuation

All property, plant and equipment are measured initially at cost, representing the cost directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management. Assets that are held for their service potential and are in use are measured subsequently at their current value in existing use. Assets that were most recently held for their service potential but are surplus are measured at fair value where there are no restrictions preventing access to the market at the reporting date.

Revaluations of property, plant and equipment are performed with sufficient regularity to ensure that carrying amounts are not materially different from those that would be determined at the end of the reporting period. Current values in existing use are determined as follows:

- Land and non-specialised buildings – market value for existing use.
- Specialised buildings – depreciated replacement cost, modern equivalent asset basis.

HM Treasury has adopted a standard approach to depreciated replacement cost valuations based on modern equivalent assets and, where it would meet the location requirements of the service being provided, an alternative site can be valued.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees and, where capitalised in accordance with IAS 23, borrowing costs. Assets are revalued and depreciation commences when they are brought into use.

IT equipment, transport equipment, furniture and fittings, and plant and machinery that are held for operational use are valued at depreciated historic cost where these assets have short useful economic lives or low values or both, as this is not considered to be materially different from current value in existing use.

An increase arising on revaluation is taken to the revaluation reserve except when it reverses an impairment for the same asset previously recognised in expenditure, in which case it is credited to expenditure to the extent of the decrease previously charged there. A revaluation decrease that does not result from a loss of economic value or service potential is recognised as an impairment charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to expenditure. Impairment losses that arise from a clear consumption of economic benefit should be taken to expenditure. Gains and losses recognised in the revaluation reserve are reported as other comprehensive income in the Statement of Comprehensive Income.

Subsequent expenditure

Where subsequent expenditure enhances an asset beyond its original specification, the directly attributable cost is capitalised. Where subsequent expenditure restores the asset to its original specification, the expenditure is capitalised and any existing carrying value of the item replaced is written-out and charged to operating expenses.

1.11 Intangible assets

Recognition

Intangible assets are non-monetary assets without physical substance, which are capable of sale separately from the rest of the trust's business or which arise from contractual or other legal rights. They are recognised only when it is probable that future economic benefits will flow to, or service potential be provided to, the trust; where the cost of the asset can be measured reliably, and where the cost is at least £5,000.

Intangible assets acquired separately are initially recognised at cost. Software that is integral to the operation of hardware, for example an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software that is not integral to the operation of hardware, for example application software, is capitalised as an intangible asset. Expenditure on research is not capitalised: it is recognised as an operating expense in the period in which it is incurred. Internally-generated assets are recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use;

NOTES TO THE ACCOUNTS

- the intention to complete the intangible asset and use it;
- the ability to sell or use the intangible asset;
- how the intangible asset will generate probable future economic benefits or service potential;
- the availability of adequate technical, financial and other resources to complete the intangible asset and sell or use it; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Measurement
The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the criteria above are initially met. Where no internally-generated intangible asset can be recognised, the expenditure is recognised in the period in which it is incurred.

Following initial recognition, intangible assets are carried at current value in existing use by reference to an active market, or, where no active market exists, at the lower of amortised replacement cost (modern equivalent assets basis) and value in use where the asset is income generating. Internally-developed software is held at historic cost to reflect the opposing effects of increases in development costs and technological advances.

1.12 Depreciation, amortisation and impairments

Freehold land, assets under construction or development, and assets held for sale are not depreciated/amortised.

Otherwise, depreciation or amortisation is charged to write off the costs or valuation of property, plant and equipment and intangible non-current assets, less any residual value, on a straight line basis over their estimated useful lives. The estimated useful life of an asset is the period over which the NHS trust expects to obtain economic benefits or service potential from the asset. This is specific to the NHS trust and may be shorter than the physical life of the asset itself. Estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis. Assets held under finance leases are depreciated over the shorter of the lease term and the estimated useful lives.

At each financial year-end, the NHS trust checks whether there is any indication that its property, plant and equipment or intangible non-current assets have suffered an impairment loss. If there is indication of such an impairment, the recoverable amount of the asset is estimated to determine whether there has been a loss and, if so, its amount. Intangible assets not yet available for use are tested for impairment annually at the financial year end.

A revaluation decrease that does not result from a loss of economic value or service potential is recognised as an impairment charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to expenditure. Impairment losses that arise from a clear consumption of economic benefit are taken to expenditure. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of the recoverable amount but capped at the amount that would have been determined had there been no initial impairment loss. The reversal of the impairment loss is credited to expenditure to the extent of the decrease previously charged there and thereafter to the revaluation reserve.

1.13 Donated assets
Donated non-current assets are capitalised at current value in existing use, if they will be held for their service potential, or otherwise at value on receipt, with a matching credit to income. They are valued, depreciated and impaired as described above for purchased assets. Gains and losses on revaluations, impairments and sales are treated in the same way as for purchased assets. Deferred income is recognised only where conditions attached to the donation preclude immediate recognition of the gain.

1.14 Government grants
Government grant funded assets are capitalised at current value in existing use, if they will be held for their service potential, or otherwise at fair value on receipt, with a matching credit to income. Deferred income is recognised only where conditions attached to the grant preclude immediate recognition of the gain.

1.15 Non-current assets held for sale
Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met when the sale is highly probable, the asset is available for immediate sale in its present condition and management is committed to the sale, which is expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Fair value is open market value including alternative uses.

The profit or loss arising on disposal of an asset is the difference between the sale proceeds and the carrying amount and is recognised in the Statement of Comprehensive Income. On disposal, the balance for the asset on the revaluation reserve is transferred to retained earnings.

Property, plant and equipment that is to be scrapped or demolished does not qualify for recognition as held for sale. Instead, it is retained as an operational asset and its economic life is adjusted. The asset is de-recognised when it is scrapped or demolished.

1.16 Leases
Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

NOTES TO THE ACCOUNTS

The trust as lessee
Property, plant and equipment held under finance leases are initially recognised, at the inception of the lease, at fair value or, if lower, at the present value of the minimum lease payments, with a matching liability for the lease obligation to the lessor. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in calculating the trust's surplus/deficit.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially as a liability and subsequently as a reduction of rentals on a straight-line basis over the lease term.

Contingent rentals are recognised as an expense in the period in which they are incurred.

Where a lease is for land and buildings, the land and building components are separated and individually assessed as to whether they are operating or finance leases.

The NHS trust as lessor
Amounts due from lessees under finance leases are recorded as receivables at the amount of the NHS trust's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the trust's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

1.17 Private Finance Initiative (PFI) transactions
The Trust has no PFI agreements.

1.18 Inventories
Inventories are valued at the lower of cost and net realisable value using the replacement cost formula. This is considered to be a reasonable approximation to fair value due to the high turnover of stocks.

1.19 Cash and cash equivalents
Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and that form an integral part of the NHS trust's cash management.

1.20 Provisions
Provisions are recognised when the NHS trust has a present legal or constructive obligation as a result of a past event, it is probable that the NHS trust will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties. Where a provision is measured using the cash flows estimated to settle the obligation, its carrying amount is the present value of those cash flows using HM Treasury's discount rates.

Early retirement provisions are discounted using HM Treasury's pension discount rate of positive 0.24% (2015-16: positive 1.37%) in real terms. All other provisions are subject to three separate discount rates according to the expected timing of cashflows from the Statement of Financial Position date:
- A short term rate of negative 2.70% (2015-16: negative 1.55%) for expected cash flows up to and including 5 years
- A medium term rate of negative 1.95% (2015-16: negative 1.00%) for expected cash flows over 5 years up to and including 10 years
- A long term rate of negative 0.80% (2015-16: negative 0.80%) for expected cash flows over 10 years.

All percentages are in real terms.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursements will be received and the amount of the receivable can be measured reliably.

A restructuring provision is recognised when the NHS trust has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with ongoing activities of the entity.

NOTES TO THE ACCOUNTS

1.21 Clinical negligence costs

The NHS Litigation Authority (NHSLA) operates a risk pooling scheme under which the trust pays an annual contribution to the NHSLA, which in return settles all clinical negligence claims. The contribution is charged to expenditure. Although the NHSLA is administratively responsible for all clinical negligence cases the legal liability remains with the NHS trust. The total value of clinical negligence provisions carried by the NHSLA on behalf of the trust is disclosed at Note 34.

1.22 Non-clinical risk pooling

The NHS trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the NHS trust pays an annual contribution to the NHS Litigation Authority and, in return, receives assistance with the costs of claims arising. The annual membership contributions, and any excesses payable in respect of particular claims are charged to operating expenses as and when they become due.

1.23 Carbon Reduction Commitment Scheme (CRC)

CRC and similar allowances are accounted for as government grant funded intangible assets if they are not expected to be realised within twelve months, and otherwise as other current assets. They are valued at open market value. As the NHS trust makes emissions, a provision is recognised with an offsetting transfer from deferred income. The provision is settled on surrender of the allowances. The asset, provision and deferred income amounts are valued at fair value at the end of the reporting period.

1.24 Contingencies

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the NHS trust, or a present obligation that is not recognised because it is not probable that a payment will be required to settle the obligation or the amount of the obligation cannot be measured sufficiently reliably. A contingent liability is disclosed unless the possibility of a payment is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the NHS trust. A contingent asset is disclosed where an inflow of economic benefits is probable.

Where the time value of money is material, contingencies are disclosed at their present value.

1.25 Financial assets

Financial assets are recognised when the NHS trust becomes party to the financial instrument contract or, in the case of trade receivables, when the goods or services have been delivered. Financial assets are derecognised when the contractual rights have expired or the asset has been transferred.

Financial assets are classified into the following categories: financial assets at fair value through profit and loss; held to maturity investments; available for sale financial assets, and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets at fair value through profit and loss

Embedded derivatives that have different risks and characteristics to their host contracts, and contracts with embedded derivatives whose separate value cannot be ascertained, are treated as financial assets at fair value through profit and loss. They are held at fair value, with any resultant gain or loss recognised in calculating the NHS trust's surplus or deficit for the year. The net gain or loss incorporates any interest earned on the financial asset.

Held to maturity investments

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity, and where there is a positive intention and ability to hold to maturity. After initial recognition, they are held at amortised cost using the effective interest method, less any impairment. Interest is recognised using the effective interest method.

Available for sale financial assets

Available for sale financial assets are non-derivative financial assets that are designated as available for sale or that do not fall within any of the other three financial asset classifications. They are measured at fair value with changes in value taken to the revaluation reserve, with the exception of impairment losses. Accumulated gains or losses are recycled to surplus/deficit on de-recognition.

NOTES TO THE ACCOUNTS

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. After initial recognition, they are measured at amortised cost using the effective interest method, less any impairment. Interest is recognised using the effective interest method.

Financial assets are initially recognised at fair value. Fair value is determined by reference to quoted market prices where possible, otherwise by valuation techniques.

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, to the initial fair value of the financial asset.

At the end of the reporting period, the NHS trust assesses whether any financial assets, other than those held at 'fair value through profit and loss' are impaired. Financial assets are impaired and impairment losses recognised if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset and that have an impact on the estimated future cash flows of the asset.

For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. The loss is recognised in expenditure and the carrying amount of the asset is reduced through a provision for impairment of receivables.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through expenditure to the extent that the carrying amount of the receivable at the date of the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

1.26 Financial liabilities
Financial liabilities are recognised on the statement of financial position when the NHS trust becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received. Financial liabilities are de-recognised when the liability has been discharged, that is, the liability has been paid or has expired.

Loans from the Department of Health are recognised at historic cost. Otherwise, financial liabilities are initially recognised at fair value.

Financial guarantee contract liabilities
Financial guarantee contract liabilities are subsequently measured at the higher of:

- The amount of the obligation under the contract, as determined in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets; and

- The premium received (or imputed) for entering into the guarantee less cumulative amortisation.

Financial liabilities at fair value through profit and loss
Embedded derivatives that have different risks and characteristics to their host contracts, and contracts with embedded derivatives whose separate value cannot be ascertained, are treated as financial liabilities at fair value through profit and loss. They are held at fair value, with any resultant gain or loss recognised in the NHS trust's surplus/deficit. The net gain or loss incorporates any interest payable on the financial liability.

Other financial liabilities
After initial recognition, all other financial liabilities are measured at amortised cost using the effective interest method, except for loans from Department of Health, which are carried at historic cost. The effective interest rate is the rate that exactly discounts estimated future cash payments through the life of the asset, to the net carrying amount of the financial liability. Interest is recognised using the effective interest method.

1.27 Value Added Tax
Most of the activities of the trust are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

1.28 Foreign currencies
The NHS trust's functional and presentational currency is sterling. Transactions denominated in a foreign currency are translated into sterling at the exchange rate ruling on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the spot exchange rate on 31 March. Resulting exchange gains and losses for either of these are recognised in the trust's surplus/deficit in the period in which they arise.

NOTES TO THE ACCOUNTS

1.29 Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the trust has no beneficial interest in them. Details of third party assets are given in Note 43 to the accounts.

1.30 Public Dividend Capital (PDC) and PDC dividend

Public dividend capital represents taxpayers' equity in the NHS trust. At any time the Secretary of State can issue new PDC to, and require repayments of PDC from, the trust. PDC is recorded at the value received. As PDC is issued under legislation rather than under contract, it is not treated as an equity financial instrument.

An annual charge, reflecting the cost of capital utilised by the trust, is payable to the Department of Health as public dividend capital dividend. The charge is calculated at the real rate set by HM Treasury (currently 3.5%) on the average carrying amount of all assets less liabilities (except for donated assets and cash balances with the Government Banking Service). The average carrying amount of assets is calculated as a simple average of opening and closing relevant net assets.

In accordance with the requirements laid down by the Department of Health (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the "pre-audit" version of the annual accounts. The dividend thus calculated is not revised should any adjustment to net assets occur as a result the audit of the annual accounts.

1.31 Losses and Special Payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled.

Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis, including losses which would have been made good through insurance cover had the NHS trust not been bearing its own risks (with insurance premiums then being included as normal revenue expenditure).

1.32 Subsidiaries

There are no material entities in which the Trust has the power to exercise control to obtain economic or other benefits.

The Trust will not be consolidating the results of the NHS Trust's Charity, over which it considers it has the power to exercise control in accordance with IAS27 requirements, due to materiality.

1.33 Associates

There are no material entities in which the Trust has the power to exercise significant influence to obtain economic or other benefits.

1.34 Joint arrangements

There are no joint arrangements in which the Trust participates in with one or more other parties.

1.35 Research and Development

Research and development expenditure is charged against income in the year in which it is incurred, except insofar as development expenditure relates to a clearly defined project and the benefits of it can reasonably be regarded as assured. Expenditure so deferred is limited to the value of future benefits expected and is amortised through the SOCI on a systematic basis over the period expected to benefit from the project. It should be revalued on the basis of current cost. The amortisation is calculated on the same basis as depreciation, on a quarterly basis.

1.36 Accounting Standards that have been issued but have not yet been adopted

The HM Treasury FReM does not require the following Standards and Interpretations to be applied in 2016-17. These standards are still subject to HM Treasury FReM interpretation, with IFRS 9 and IFRS 15 being for implementation in 2018-19, and the government implementation date for IFRS 16 still subject to HM Treasury consideration.

- IFRS 9 Financial Instruments – Application required for accounting periods beginning on or after 1 January 2018, but not yet adopted by the FReM: early adoption is not therefore permitted
- IFRS 15 Revenue from Contracts with Customers - Application required for accounting periods beginning on or after 1 January 2018, but not yet adopted by the FReM: early adoption is not therefore permitted
- IFRS 16 Leases – Application required for accounting periods beginning on or after 1 January 2019, but not yet adopted by the FReM: early adoption is not therefore permitted.

1.37 Gifts

Gifts are items that are voluntarily donated, with no preconditions and without the expectation of any return. Gifts include all transactions economically equivalent to free and unremunerated transfers, such as the loan of an asset for its expected useful life, and the sale or lease of assets at below market value.

2. Operating segments

The Trust operates in one material segment which is the provision of heathcare services.

3. Income generation activities

The Trust undertakes income generation activities with an aim of achieving profit, which is then used in patient care. The Trust has no income generation activities whose full cost exceeded £1m.

4. Revenue from patient care activities

	2016-17 £000s	2015-16 £000s
NHS Trusts	818	624
NHS England	53,103	51,936
Clinical Commissioning Groups	229,245	219,664
Foundation Trusts	626	633
NHS Other (including Public Health England and Prop Co)	68	462
Additional income for delivery of healthcare services	0	2,500
Non-NHS:		
Local Authorities	88	87
Private patients	1,331	1,424
Overseas patients (non-reciprocal)	69	81
Injury costs recovery*	1,464	1,317
Other Non-NHS patient care income**	27,852	25,304
Total Revenue from patient care activities	314,664	304,032

* Injury cost recovery income is subject to a provision for impairment of receivables of 22.94% (previously 21.99% to October 2016) to reflect expected rates of collection.

** Non-NHS-Other includes income of £27.8m from Welsh bodies (2015-16: £25.2m).

5. Other operating revenue

	2016-17 £000s	2015-16 £000s
Education, training and research	12,879	12,220
Receipt of charitable donations for capital acquisitions	1,397	795
Non-patient care services to other bodies	2,604	2,419
Sustainability & Transformation Fund Income	10,767	[redacted]
Income generation	2,946	3,013
Other revenue*	4,987	3,998
Total Other Operating Revenue	35,580	22,445
Total operating revenue	350,244	326,477

*The majority of 'Other revenue' is for radiology, cardiorespiratory, dietetics, speech therapists and maternity pathways and the full year effect in 2016/17 of staffing and room rental for the TEMS service.

6. Overseas Visitors Disclosure

	2016-17 £000s	2015-16 £000s
Income recognised during 2016-17 (invoiced amounts and accruals)	69	81
Cash payments received in-year (re receivables at 31 March 2016)	0	3
Cash payments received in-year (iro invoices issued 2016-17)	32	31
Amounts added to provision for impairment of receivables (re receivables at 31 March 2016)	0	0
Amounts added to provision for impairment of receivables (iro invoices issued 2016-17)	22	51
Amounts written off in-year (irrespective of year of recognition)	0	23

7. Operating expenses

	2016-17 £000s	2015-16 £000s
Purchase of healthcare from non-NHS bodies	**533**	212
Trust Chair and Non-executive Directors	**73**	71
Supplies and services - clinical	**66,317**	63,478
Supplies and services - general	**5,006**	5,270
Consultancy services	**146**	64
Establishment	**4,556**	4,457
Transport	**797**	884
Business rates paid to local authorities	**1,761**	1,750
Premises	**11,172**	12,109
Hospitality	**1**	4
Insurance	**5**	54
Legal Fees	**263**	367
Impairments and Reversals of Receivables	**463**	380
Inventories write down	**280**	118
Depreciation	**9,821**	7,633
Amortisation	**676**	584
Impairments and reversals of property, plant and equipment	**483**	16,572
Internal Audit Fees	**125**	130
Audit fees	**92**	92
Other auditor's remuneration (see note 14.1)	**13**	0
Clinical negligence	**12,604**	10,065
Education and Training	**1,013**	925
Change in Discount Rate	**18**	0
Other	**568**	493
Total Operating expenses (excluding employee benefits)	**116,786**	125,712
Employee Benefits		
Employee benefits excluding Board members	**233,408**	224,938
Board members	**1,212**	1,248
Total Employee Benefits	**234,620**	226,186
Total Operating Expenses	**351,406**	351,898

8. Operating Leases

The Trust has a contract for computerised digital imaging and archiving service contracts within Radiology. The term of the contract, which covers the Royal Shrewsbury Hospital and the Princess Royal Hospital, is 10 years and commenced on 1 January 2016.

The Trust has an operating lease relating to an investment in replacing the boiler plant at the Royal Shrewsbury Hospital, the term of the lease is 15 years and commenced 1 April 2007.

The Trust has a lease for printing services for both hospitals. The lease commenced 1 September 2009 for 5 years but has been extended and a new lease is currently being negotiated.

The Trust has two property leases for off site office accommodation and an off site sterile services facility. A new lease for the off site office accommodation commenced on 21 July 2015 for 10 years. The lease for the off site sterile services facility is for 20 years commencing 1 April 2010.

The Trust has entered into leases for the provision of staff and office accommodation facilities at the Royal Shrewsbury Hospital.

The Trust has several managed service contracts for the provision of services within the Pathology and Radiology departments.

The Trust also leases cars and adhoc medical equipment.

8.1. Shrewsbury and Telford Hospital NHS Trust as lessee

			2016-17	
	Buildings	Other	Total	2015-16
	£000s	£000s	£000s	£000s
Payments recognised as an expense				
Minimum lease payments			**4,894**	5,209
Contingent rents			**0**	0
Sub-lease payments			**0**	0
Total			**4,894**	5,209
Payable:				
No later than one year	436	4,399	**4,835**	4,397
Between one and five years	1,745	15,007	**16,752**	10,126
After five years	3,597	6,798	**10,395**	8,531
Total	**5,778**	**26,204**	**31,982**	23,054

8.2. Shrewsbury and Telford Hospital NHS Trust as lessor

The Trust has no transactions that require disclosure within this note.

9. Employee benefits

9.1. Employee benefits

	2016-17 Total £000s	2015-16 Total £000s
Employee Benefits - Gross Expenditure		
Salaries and wages	**197,172**	193,213
Social security costs	**16,839**	13,175
Employer Contributions to NHS BSA - Pensions Division	**21,719**	21,048
Total employee benefits	**235,730**	227,436
Employee costs capitalised	**1,110**	1,250
Gross Employee Benefits excluding capitalised costs	**234,620**	226,186

9.2. Retirements due to ill-health

	2016-17 Number	2015-16 Number
Number of persons retired early on ill health grounds	**10**	8
	£000s	£000s
Total additional pensions liabilities accrued in the year	**545**	369

9.3. Pension costs

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years". An outline of these follows:

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and are accepted as providing suitably robust figures for financial reporting purposes. The valuation of scheme liability as at 31 March 2017, is based on valuation data as 31 March 2016, updated to 31 March 2017 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the scheme actuary report, which forms part of the annual NHS Pension Scheme (England and Wales) Pension Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account their recent demographic experience), and to recommend contribution rates payable by employees and employers.

The last published actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2012. The Scheme Regulations allow for the level of contribution rates to be changed by the Secretary of State for Health, with the consent of HM Treasury, and consideration of the advice of the Scheme Actuary and appropriate employee and employer representatives as deemed appropriate.

The next actuarial valuation is to be carried out as at 31 March 2016. This will set the employer contribution rate payable from April 2019 and will consider the cost of the Scheme relative to the employer cost cap. There are provisions in the Public Service Pension Act 2013 to adjust member benefits or contribution rates if the cost of the Scheme changes by more than 2% of pay. Subject to this 'employer cost cap' assessment, any required revisions to member benefits or contribution rates will be determined by the Secretary of State for Health after consultation with the relevant stakeholders.

The Trust offers an additional defined contribution workplace pension scheme, the National Employment Savings Scheme (NEST).

10. Better Payment Practice Code

10.1. Measure of compliance

	2016-17 Number	2016-17 £000s	2015-16 Number	2015-16 £000s
Non-NHS Payables				
Total Non-NHS Trade Invoices Paid in the Year	**93,881**	**113,516**	99,260	119,913
Total Non-NHS Trade Invoices Paid Within Target	**46,940**	**68,821**	85,829	105,384
Percentage of Non-NHS Trade Invoices Paid Within Target	**50.00%**	**60.63%**	86.47%	87.88%
NHS Payables				
Total NHS Trade Invoices Paid in the Year	**2,822**	**7,345**	2,534	8,622
Total NHS Trade Invoices Paid Within Target	**1,837**	**4,390**	2,196	7,682
Percentage of NHS Trade Invoices Paid Within Target	**65.10%**	**59.77%**	86.66%	89.10%

The Better Payment Practice Code requires the NHS body to aim to pay all valid invoices by the due date or within 30 days of receipt of a valid invoice, whichever is later.

10.2. The Late Payment of Commercial Debts (Interest) Act 1998

The Trust has no transactions that require disclosure within this note.

11. Investment Revenue

	2016-17 £000s	2015-16 £000s
Interest revenue		
Bank interest	**22**	28
Total investment revenue	**22**	28

12. Other Gains and Losses

	2016-17 £000s	2015-16 £000s
Loss on disposal of assets other than by sale (PPE)	**0**	(163)
Total	**0**	(163)

13. Finance Costs

	2016-17 £000s	2015-16 £000s
Interest		
Interest on loans and overdrafts	**286**	**191**
Total interest expense	**286**	191
Other finance costs	**0**	**0**
Provisions - unwinding of discount	**24**	**10**
Total	**310**	201

14. Auditor Disclosures

14.1. Other auditor remuneration

	2016-17 £000s	2015-16 £000s
Other auditor remuneration paid to the external auditor:	**0**	0
1. Audit of accounts of any associate of the trust	**0**	0
2. Audit-related assurance services	**13**	0
3. Taxation compliance services	**0**	0
4. All taxation advisory services not falling within item 3 above	**0**	0
5. Internal audit services	**0**	0
6. All assurance services not falling within items 1 to 5	**0**	0
7. Corporate finance transaction services not falling within items 1 to 6 above	**0**	0
8. Other non-audit services not falling within items 2 to 7 above	**0**	0
Total	13	**0**

15.1. Property, plant and equipment

2016-17	Land	Buildings excluding dwellings	Dwellings	Assets under construction & payments on account	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Cost or valuation:									
At 1 April 2016	13,156	116,429	479	594	46,042	375	14,070	5,318	**196,463**
Additions of Assets Under Construction				3,891					**3,891**
Additions Purchased	0	3,614	0		1,454	0	1,647	383	**7,098**
Additions - Non Cash Donations (i.e. physical assets)	0	0	0	0	0	0	0	0	**0**
Additions - Purchases from Cash Donations & Government Grants	0	0	0	916	307	0	33	53	**1,309**
Reclassifications	1	239	0	(288)	28	0	0	(2)	**(22)**
Reclassifications as Held for Sale and reversals	0	0	0	0	0	0	0	0	**0**
Disposals other than for sale	0	0	0	0	(1,463)	0	0	(8)	**(1,471)**
Revaluation	0	2,875	12	0	0	0	0	0	**2,887**
Impairments/reversals charged to operating expenses	0	(3,100)	0	0	0	0	0	0	**(3,100)**
Impairments/reversals charged to reserves	0	(2,001)	0	0	(539)	0	0	(18)	**(2,558)**
At 31 March 2017	**13,157**	**118,056**	**491**	**5,113**	**45,829**	**375**	**15,750**	**5,726**	**204,497**
Depreciation									
At 1 April 2016	0	1,046	0		24,430	191	9,067	3,253	**37,987**
Reclassifications	0	0	0		0	0	0	0	**0**
Reclassifications as Held for Sale and reversals	0	0	0		0	0	0	0	**0**
Disposals other than for sale	0	0	0		(1,463)	0	0	(8)	**(1,471)**
Revaluation	0	(2,587)	(8)		0	0	0	0	**(2,595)**
Impairment/reversals charged to reserves	0	(671)	0		(166)	0	0	(10)	**(847)**
Impairments/reversals charged to operating expenses	0	(2,617)	0		0	0	0	0	**(2,617)**
Charged During the Year	0	4,950	8		3,446	35	1,092	290	**9,821**
At 31 March 2017	**0**	**121**	**0**		**26,247**	**226**	**10,159**	**3,525**	**40,278**
Net Book Value at 31 March 2017	**13,157**	**117,935**	**491**	**5,113**	**19,582**	**149**	**5,591**	**2,201**	**164,219**
Asset financing:									
Owned - Purchased	13,157	113,277	491	4,197	16,157	149	5,498	1,967	**154,893**
Owned - Donated	0	4,658	0	916	3,425	0	93	234	**9,326**
Owned - Government Granted	0	0	0	0	0	0	0	0	**0**
Held on finance lease	0	0	0	0	0	0	0	0	**0**
Total at 31 March 2017	**13,157**	**117,935**	**491**	**5,113**	**19,582**	**149**	**5,591**	**2,201**	**164,219**

Revaluation Reserve Balance for Property, Plant & Equipment

	Land	Buildings	Dwellings	Assets under construction & payments on account	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
At 1 April 2016	936	26,400	395	0	1,252	0	0	0	**28,983**
Movements	0	4,132	20	0	(381)	0	0	0	**3,771**
At 31 March 2017	**936**	**30,532**	**415**	**0**	**871**	**0**	**0**	**0**	**32,754**

Additions to Assets Under Construction in 2016-17

Land	0
Buildings excl Dwellings	2,045
Dwellings	0
Plant & Machinery	1,846
Balance as at YTD	3,891

15.2. Property, plant and equipment prior-year

2015-16	Land	Buildings excluding dwellings	Dwellings	Assets under construction & payments on account	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Cost or valuation:									
At 1 April 2015	27,244	136,659	941	3,769	46,865	408	12,780	5,298	**233,964**
Additions of Assets Under Construction				424					**424**
Additions Purchased	0	5,275	13		825	0	882	20	**7,015**
Additions - Non Cash Donations (i.e. Physical Assets)	0	0	0	0	0	0	0	0	**0**
Additions - Purchases from Cash Donations & Government Grants	0	182	0	0	568	0	45	0	**795**
Reclassifications	(1)	1,384	0	(3,599)	1,007	0	637	0	**(572)**
Reclassifications as Held for Sale and Reversals	0	0	0	0	0	0	0	0	**0**
Disposals other than for sale	0	0	0	0	(2,980)	(33)	0	0	**(3,013)**
Revaluation	937	16,753	(6)	0	0	0	0	0	**17,684**
Impairment/reversals charged to reserves	(4,209)	(13,655)	0	0	(243)	0	(274)	0	**(18,381)**
Impairments/reversals charged to operating expenses	(10,815)	(30,169)	(469)	0	0	0	0	0	**(41,453)**
At 31 March 2016	**13,156**	**116,429**	**479**	**594**	**46,042**	**375**	**14,070**	**5,318**	**196,463**
Depreciation									
At 1 April 2015	0	604	0		25,223	189	8,815	3,178	**38,009**
Reclassifications	0	0	0		0	0	0	0	**0**
Reclassifications as Held for Sale and Reversals	0	0	0		0	0	0	0	**0**
Disposals other than for sale	0	0	0		(2,780)	(33)	0	0	**(2,813)**
Revaluation	0	(1,323)	(9)		0	0	0	0	**(1,332)**
Impairment/reversals charged to reserves	0	(1,701)	0		0	0	0	0	**(1,701)**
Impairments/reversals charged to operating expenses	0	(1,527)	0		(119)	0	(163)	0	**(1,809)**
Charged During the Year	0	4,993	9		2,106	35	415	75	**7,633**
At 31 March 2016	**0**	**1,046**	**0**		**24,430**	**191**	**9,067**	**3,253**	**37,987**
Net Book Value at 31 March 2016	**13,156**	**115,383**	**479**	**594**	**21,612**	**184**	**5,003**	**2,065**	**158,476**
Asset financing:									
Owned - Purchased	13,156	110,689	479	594	17,701	184	4,921	1,853	**149,577**
Owned - Donated	0	4,694	0	0	3,911	0	82	212	**8,899**
Owned - Government Granted	0	0	0	0	0	0	0	0	**0**
Held on finance lease	0	0	0	0	0	0	0	0	**0**
Total at 31 March 2016	**13,156**	**115,383**	**479**	**594**	**21,612**	**184**	**5,003**	**2,065**	**158,476**

15.3. (cont). Property, plant and equipment

The majority of donated assets have been donated by Royal Shrewsbury Hospital League of Friends; Friends of The Princess Royal Hospital Telford; The Shrewsbury and Telford Hospital NHS Trust Charitable Funds and Lingen Davies Cancer Fund.

The Trust commissioned Deloitte LLP to undertake a revaluation of the Trust's Estate as at 31 March 2017. The valuation has been undertaken having regard to International Financial Reporting Standards ("IFRS") as applied to the United Kingdom public sector and in accordance with HM Treasury Guidance, International Valuation Standards ("IVS") and the requirements of the RICS Valuation - Professional Standards - Global and UK Edition, January 2014 (the "Red Book") as revised in April 2015. The Estate was valued upwards by £3,668,984; an increase of £4,151,736 to Revaluation Reserve and a charge of £482,753 as an impairment to SoCI. In addition, impairments in respect of equipment to the value of £381,259 have been charged to Revaluation Reserve.

Freehold buildings - over estimated useful life not exceeding 81 years.
Leaseholds - over the primary lease term.
Furniture and fittings - 5 to 23 years.
Transport Equipment - 7 to 10 years.
IT equipment - 3 to 10 years.
Plant and machinery - 5 to 30 years.

16. Intangible non-current assets

16.1. Intangible non-current assets

2016-17	IT - in-house & 3rd party software	Computer Licenses	Licenses and Trademarks	Patents	Development Expenditure - Internally Generated	Intangible Assets Under Construction	Total
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
At 1 April 2016	4,083	379	0	0	0	0	4,462
Additions of Assets Under Construction						0	0
Additions Purchased	906	31	0	0	0	0	937
Additions Internally Generated	339	0	0	0	0	0	339
Additions - Non Cash Donations (i.e. physical assets)	0	0	0	0	0	0	0
Additions - Purchases from Cash Donations and Government Grants	88	0	0	0	0	0	88
Reclassifications	22	0	0	0	0	0	22
Reclassified as Held for Sale and Reversals	0	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	0	0
Upward revaluation/positive indexation	0	0	0	0	0	0	0
Impairments/reversals charged to operating expenses	0	0	0	0	0	0	0
Impairments/reversals charged to reserves	0	0	0	0	0	0	0
At 31 March 2017	5,438	410	0	0	0	0	5,848
Amortisation							
At 1 April 2016	2,059	136	0	0	0		2,195
Reclassifications	0	0	0	0	0		0
Reclassified as Held for Sale and Reversals	0	0	0	0	0		0
Disposals other than by sale	0	0	0	0	0		0
Upward revaluation/positive indexation	0	0	0	0	0		0
Impairment/reversals charged to reserves	0	0	0	0	0		0
Impairments/reversals charged to operating expenses	0	0	0	0	0		0
Charged During the Year	602	74	0	0	0		676
At 31 March 2017	2,661	210	0	0	0	0	2,871
Net Book Value at 31 March 2017	2,777	200	0	0	0	0	2,977
Asset Financing: Net book value at 31 March 2017 comprises:							
Purchased	2,699	200	0	0	0	0	2,899
Donated	78	0	0	0	0	0	78
Government Granted	0	0	0	0	0	0	0
Finance Leased	0	0	0	0	0	0	0
Total at 31 March 2017	2,777	200	0	0	0	0	2,977

Revaluation reserve balance for intangible non-current assets

	£000's	£000's	£000's	£000's	£000's	£000's	£000's
At 1 April 2016	0	0	0	0	0	0	0
Movements	0	0	0	0	0	0	0
At 31 March 2017	0	0	0	0	0	0	0

16.2. Intangible non-current assets prior year

2015-16	IT - in-house & 3rd party software £000's	Computer Licenses £000's	Licenses and Trademarks £000's	Patents £000's	Development Expenditure - Internally Generated £000's	£000's	Total £000's
Cost or valuation:							
At 1 April 2015	3,253	43	0	0	0	0	**3,296**
Additions - purchased	594	0	0	0	0	0	**594**
Additions - internally generated	0	0	0	0	0	0	**0**
Additions - donated	0	0	0	0	0	0	**0**
Additions - government granted	0	0	0	0	0	0	**0**
Reclassifications	236	336	0	0	0	0	**572**
Reclassified as held for sale	0	0	0	0	0	0	**0**
Disposals other than by sale	0	0	0	0	0	0	**0**
Upward revaluation/positive indexation	0	0	0	0	0	0	**0**
Impairments/reversals charged to operating expenses	0	0	0	0	0	0	**0**
Impairments/reversals charged to reserves	0	0	0	0	0	0	**0**
At 31 March 2016	4,083	379	0	0	0	0	4,462
Amortisation							
At 1 April 2015	1,584	27	0	0	0	0	**1,611**
Reclassifications	(99)	99	0	0	0	0	**0**
Reclassified as held for sale	0	0	0	0	0	0	**0**
Disposals other than by sale	0	0	0	0	0	0	**0**
Upward revaluation/positive indexation	0	0	0	0	0	0	**0**
Impairments/reversals charged to operating expenses	0	0	0	0	0	0	**0**
Impairments/reversals charged to reserves	0	0	0	0	0	0	**0**
Charged during the year	574	10	0	0	0	0	**584**
At 31 March 2016	2,059	136	0	0	0	0	**2,195**
Net book value at 31 March 2016	2,024	243	0	0	0	0	**2,267**
Net book value at 31 March 2016 comprises:							
Purchased	2,014	243	0	0	0	0	**2,257**
Donated	10	0	0	0	0	0	**10**
Government Granted	0	0	0	0	0	0	**0**
Finance Leased	0	0	0	0	0	0	**0**
Total at 31 March 2016	2,024	243	0	0	0	0	**2,267**

16.3. Intangible non-current assets

The intangible assets held by the Trust relate to the purchase of software licenses and software that has been internally generated. These assets are written down over a useful economic life of between 3 and 7 years.

17. Analysis of impairments and reversals recognised in 2016-17

	2016-17 Total £000s
Property, Plant and Equipment impairments and reversals taken to SoCI	
Loss or damage resulting from normal operations	0
Over-specification of assets	0
Abandonment of assets in the course of construction	0
Total charged to Departmental Expenditure Limit	0
Unforeseen obsolescence	0
Loss as a result of catastrophe	0
Other	0
Changes in market price	483
Total charged to Annually Managed Expenditure	483
Total Impairments of Property, Plant and Equipment changed to SoCI	483
Intangible assets impairments and reversals charged to SoCI	
Loss or damage resulting from normal operations	0
Over-specification of assets	0
Abandonment of assets in the course of construction	0
Total charged to Departmental Expenditure Limit	0
Unforeseen obsolescence	0
Loss as a result of catastrophe	0
Other	0
Changes in market price	0
Total charged to Annually Managed Expenditure	0
Total Impairments of Intangibles charged to SoCI	0
Financial Assets charged to SoCI	
Loss or damage resulting from normal operations	0
Total charged to Departmental Expenditure Limit	0
Loss as a result of catastrophe	0
Other	0
Total charged to Annually Managed Expenditure	0
Total Impairments of Financial Assets charged to SoCI	0
Non-current assets held for sale - impairments and reversals charged to SoCI.	
Loss or damage resulting from normal operations	0
Abandonment of assets in the course of construction	0
Total charged to Departmental Expenditure Limit	0
Unforeseen obsolescence	0
Loss as a result of catastrophe	0
Other	0
Changes in market price	0
Total charged to Annually Managed Expenditure	0
Total impairments of non-current assets held for sale charged to SoCI	0
Total Impairments charged to SoCI - DEL	0
Total Impairments charged to SoCI - AME	483
Overall Total Impairments	483
Donated and Gov Granted Assets, included above	
PPE - Donated and Government Granted Asset Impairments: amount charged to SOCI - DEL	(60)
Intangibles - Donated and Government Granted Asset Impairments: amount charged to SOCI - DEL	0

17. Analysis of impairments and reversals recognised in 2016-17

	Property Plant and Equipment	Intangible Assets	Financial Assets	Non-Current Assets Held for Sale	Total £000s
Impairments and reversals taken to SoCI					
Loss or damage resulting from normal operations	0	0	0	0	0
Over-specification of assets	0	0	0	0	0
Abandonment of assets in the course of construction	0	0	0	0	0
Total charged to Departmental Expenditure Limit	0	0	0	0	0
Unforeseen obsolescence	0	0	0	0	0
Loss as a result of catastrophe	0	0	0	0	0
Other	0	0	0	0	0
Changes in market price	483	0	0	0	483
Total charged to Annually Managed Expenditure	483	0	0	0	483
Total Impairments of Property, Plant and Equipment	483	0	0	0	483

Donated and Gov Granted Assets, included above	£000s
PPE - Donated and Government Granted Asset Impairments: amount charged to SOCI - DEL	(60)
Intangibles - Donated and Government Granted Asset Impairments: amount charged to SOCI - DEL	0

The Trust commissioned Deloitte LLP to undertake a revaluation of the Trust's Estate as at 31 March 2017. The valuation has been undertaken having regard to International Financial Reporting Standards ("IFRS") as applied to the United Kingdom public sector and in accordance with HM Treasury Guidance, International Valuation Standards ("IVS") and the requirements of the RICS Valuation - Professional Standards - Global and UK Edition, January 2014 (the "Red Book") as revised in April 2015. The Estate was valued upwards by £3,668,984; an increase of £4,151,736 to Revaluation Reserve and a charge of £482,753 as an impairment to SoCI. In addition, impairments in respect of equipment to the value of £381,259 have been charged to Revaluation Reserve.

18. Investment property

The Trust has no transactions that require disclosure within this note.

19. Commitments

19.1. Capital commitments

Contracted capital commitments at 31 March not otherwise included in these financial statements:

	31 March 2017 £000s	31 March 2016 £000s
Property, plant and equipment	1,189	224
Intangible assets	0	0
Total	1,189	224

19.2. Other financial commitments

The Trust has no transactions that require disclosure within this note.

20. Inventories

	Drugs	Consumables	Energy	Total	Of which held at NRV
	£000s	£000s	£000s	£000s	£000s
Balance at 1 April 2016	**2,264**	**5,439**	**172**	**7,875**	7,875
Additions	35,636	28,559	1,193	**65,388**	65,388
Inventories recognised as an expense in the period	(35,596)	(28,319)	(1,208)	**(65,123)**	(65,123)
Write-down of inventories (including losses)	(271)	(9)	0	**(280)**	(280)
Balance at 31 March 2017	**2,033**	**5,670**	**157**	**7,860**	**7,860**

21.1. Trade and other receivables

	Current		Non-current	
	31 March 2017	31 March 2016	**31 March 2017**	31 March 2016
	£000s	£000s	**£000s**	£000s
NHS receivables - revenue	**2,782**	1,750	**0**	0
NHS prepayments and accrued income	**6,433**	2,200	**0**	0
Non-NHS receivables - revenue	**1,166**	1,498	**0**	0
Non-NHS prepayments and accrued income	**3,283**	1,843	**0**	0
PDC Dividend prepaid to DH	**32**	627	**0**	0
Provision for the impairment of receivables	**(661)**	(588)	**0**	0
VAT	**668**	582	**0**	0
Interest receivables	**2**	2	**0**	0
Other receivables	**877**	915	**1,464**	1,317
Total	**14,582**	8,829	**1,464**	1,317
Total current and non current	**16,046**	10,146		

The great majority of trade is with Clinical Commissioning Groups, as commissioners for NHS patient care services. As Clinical Commissioning Groups are funded by Government to buy NHS patient care services, no credit scoring of them is considered necessary.

21.2. Receivables past their due date but not impaired

	31 March 2017	31 March 2016
	£000s	£000s
By up to three months	**3,036**	2,465
By three to six months	**555**	245
By more than six months	**357**	538
Total	**3,948**	3,248

21.3. Provision for impairment of receivables

	2016-17 £000s	2015-16 £000s
Balance at 1 April 2016	(588)	(507)
Amount written off during the year	390	299
Amount recovered during the year	35	4
Increase in receivables impaired	(498)	(384)
Balance at 31 March 2017	(661)	(588)

Injury cost recovery income is subject to a provision for impairment of receivables of 22.94% (previously 21.99% to October 2016) to reflect expected rates of collection.

Invoices raised to overseas visitors are provided for immediately as a high number of these invoices are not collected.

Specific provisions are made against any invoices that are outstanding and deemed to be non-collectable including those that have been sent to the Trust's debt collection agency.

22. NHS LIFT investments

The Trust has no transactions that require disclosure within this note.

23.1. Other Financial Assets - Current

The Trust has no transactions that require disclosure within this note.

23.2. Other Financial Assets - Non Current

The Trust has no transactions that require disclosure within this note.

24. Other current assets

The Trust has no transactions that require disclosure within this note.

25. Cash and Cash Equivalents

	31 March 2017 £000s	31 March 2016 £000s
Opening balance	1,700	1,001
Net change in year	3,982	699
Closing balance	5,682	1,700
Made up of		
Cash with Government Banking Service	5,650	1,668
Cash in hand	32	32
Cash and cash equivalents as in statement of financial position	5,682	1,700
Bank overdraft - Government Banking Service	0	0
Bank overdraft - Commercial banks	0	0
Cash and cash equivalents as in statement of cash flows	5,682	1,700
Third Party Assets - Patients cash held by the Trust (not included above)	4	14

26. Non-current assets held for sale

The Trust has no transactions that require disclosure within this note.

27. Trade and other payables

	Current		Non-current	
	31 March 2017 £000s	31 March 2016 £000s	**31 March 2017 £000s**	31 March 2016 £000s
NHS payables - revenue	**1,240**	1,135	**0**	0
NHS accruals and deferred income	**136**	568	**0**	0
Non-NHS payables - revenue	**6,946**	3,867	**0**	0
Non-NHS payables - capital	**7,790**	2,317	**0**	0
Non-NHS accruals and deferred income	**7,650**	10,136	**0**	0
Social security costs	**4**	1,904		
Accrued Interest on DH Loans	**33**	23		
Payments received on account	**14**	10	**0**	0
Other	**3,051**	3,032	**0**	0
Total	**26,864**	22,992	**0**	0
Total payables (current and non-current)	**26,864**	22,992		
Included in 'Other' above:				
Outstanding Pension Contributions at the year end	**2,974**	2,910		

28. Other liabilities

The Trust has no transactions that require disclosure within this note.

29. Borrowings

	Current		Non-current	
	31 March 2017 £000s	31 March 2016 £000s	**31 March 2017 £000s**	31 March 2016 £000s
Loans from Department of Health	**0**	0	**24,507**	12,700
Total	**0**	**0**	**24,507**	**12,700**
Total other liabilities (current and non-current)	**24,507**	**12,700**		

Borrowings / Loans - repayment of principal falling due in:

	31 March 2017		
	DH £000s	**Other £000s**	**Total £000s**
0-1 Years	0	0	**0**
1 - 2 Years	24,507	0	**24,507**
2 - 5 Years	0	0	**0**
Over 5 Years	0	0	**0**
TOTAL	**24,507**	**0**	**24,507**

30. Other financial liabilities

The Trust has no transactions that require disclosure within this note.

31. Deferred income

	Current		Non-current	
	31 March 2017 £000s	31 March 2016 £000s	**31 March 2017 £000s**	31 March 2016 £000s
Opening balance at 1 April 2016	**1,563**	1,085	**0**	0
Deferred revenue addition	**1,169**	1,563	**0**	0
Transfer of deferred revenue	**(1,563)**	(1,085)	**0**	0
Current deferred income at 31 March 2017	**1,169**	1,563	**0**	0
Total deferred income (current and non-current)	**1,169**	1,563		

32. Finance lease obligations as lessee

The Trust has no transactions that require disclosure within this note.

33. Finance lease receivables as lessor

The Trust has no transactions that require disclosure within this note.

34. Provisions

	Total	Comprising: Early Departure Costs	Legal Claims	Other
	£000s	£000s	£000s	£000s
Balance at 1 April 2016	**736**	65	188	483
Arising during the year	**514**	24	128	362
Utilised during the year	**(437)**	(43)	(58)	(336)
Reversed unused	**(40)**	0	(40)	0
Unwinding of discount	**24**	3	0	21
Change in discount rate	**18**	3	0	15
Balance at 31 March 2017	**815**	**52**	**218**	**545**
Expected Timing of Cash Flows:				
No Later than One Year	**601**	42	218	341
Later than One Year and not later than Five Years	**105**	10	0	95
Later than Five Years	**109**	0	0	109

Amount Included in the Provisions of the NHS Litigation Authority in Respect of Clinical Negligence Liabilities:

As at 31 March 2017	**174,609**
As at 31 March 2016	133,721

Early Departure Costs relate to a provision for future payments payable to the NHS Pensions Agency in respect of former employees who took early retirement.

Legal claims relate to NHSLA non clinical cases with employees and members of the general public.

Other provision relates to Injury Benefits relating to former staff and contains provisions payable to former employees forced to retire due to injury suffered in the workplace (£283k) and the CRC scheme (£262k).

35. Contingencies

	31 March 2017	31 March 2016
	£000s	£000s
Contingent liabilities		
NHS Litigation Authority legal claims	**(113)**	(86)
Net value of contingent liabilities	**(113)**	(86)

The contingent liabilities represent the difference between the expected values of provisions for legal claims carried at note 34 and the maximum potential liability that could arise from these claims.

The Trust is subject to investigation regarding Health and Safety offences and may face a financial penalty as a result. The outcome and value of the potential fine is not yet known.

36. Analysis of charitable fund reserves

	31 March 2017	31 March 2016
	£000s	£000s
Restricted / Endowment Funds	1,507	1,463
Non-Restricted Funds	384	321
	1,891	1,784

Non-restricted funds are accumulated income funds that are expendable at the discretion of the trustees in furtherance of the charity's objects. Unrestricted funds may be earmarked or designated for specific future purposes which reduces the amount that is readily available to the charity.

Restricted funds are accumulated income funds which are expendable at the trustee's discretion only in furtherance of the specified conditions of the donor and the objects of the charity.

37. Impact of IFRS treatment - current year

The Trust has no transactions that require disclosure within this note.

38. Financial Instruments

38.1. Financial risk management

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. Because of the continuing service provider relationship that the NHS Trust has with commissioners and the way those commissioners are financed, the Trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which the financial reporting standards mainly apply. The Trust has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Trust in undertaking its activities.

The Trust's treasury management operations are carried out by the finance department, within parameters defined formally within the Trust's standing financial instructions and policies agreed by the board of directors. The Trust's treasury activity is subject to review by the Trust's internal auditors.

Currency risk
The Trust is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and sterling based. The Trust has no overseas operations. The Trust therefore has low exposure to currency rate fluctuations.

Interest rate risk
The Trust borrows from government for capital expenditure, subject to affordability as confirmed by NHS Improvement. The borrowings are for 1 – 25 years, in line with the life of the associated assets, and interest is charged at the National Loans Fund rate, fixed for the life of the loan. The Trust therefore has low exposure to interest rate fluctuations.

The Trust may also borrow from government for revenue financing subject to approval by NHS Improvement. Interest rates are confirmed by the Department of Health (the lender) at the point borrowing is undertaken.

The Trust therefore has low exposure to interest rate fluctuations.

Credit risk
Because the majority of the Trust's revenue comes from contracts with other public sector bodies, the Trust has low exposure to credit risk. The maximum exposures as at 31 March 2017 are in receivables from customers, as disclosed in the trade and other receivables note.

Liquidity risk
The Trust's operating costs are incurred under contracts with Clinical Commissioning Groups, which are financed from resources voted annually by Parliament . The Trust funds its capital expenditure from funds obtained within its prudential borrowing limit. The Trust is not, therefore, exposed to significant liquidity risks.

38.2. Financial Assets

	At 'fair value through profit and loss'	Loans and receivables	Available for sale	Total
	£000s	£000s	£000s	£000s
Embedded derivatives	0			0
Receivables - NHS		8,291		8,291
Receivables - non-NHS		5,473		5,473
Cash at bank and in hand		5,682		5,682
Other financial assets	0	0	0	0
Total at 31 March 2017	**0**	**19,446**	**0**	**19,446**
Embedded derivatives	0			0
Receivables - NHS		3,950		3,950
Receivables - non-NHS		4,827		4,827
Cash at bank and in hand		1,700		1,700
Other financial assets	0	0	0	0
Total at 31 March 2016	0	10,477	0	10,477

38.3. Financial Liabilities

	At 'fair value through profit and loss'	Other	Total
	£000s	£000s	£000s
Embedded derivatives	0		0
NHS payables		1,376	1,376
Non-NHS payables		24,271	24,271
Other borrowings		24,507	24,507
PFI & finance lease obligations		0	0
Other financial liabilities	0	251	251
Total at 31 March 2017	**0**	**50,405**	**50,405**
Embedded derivatives	0		0
NHS payables		1,703	1,703
Non-NHS payables		19,493	19,493
Other borrowings		12,700	12,700
PFI & finance lease obligations		0	0
Other financial liabilities	0	212	212
Total at 31 March 2016	0	34,108	34,108

The fair value of financial assets and financial liabilities are equal to the carrying amount.

39. Events after the end of the reporting period

The Trust has no transactions that require disclosure within this note.

40. Related party transactions

During the year none of the Department of Health Ministers, Trust Board members or members of the key management staff, or parties related to any of them, has undertaken any material transactions with the Shrewsbury and Telford Hospital NHS Trust.

The Department of Health is regarded as a related party. During the year the Trust has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department. These entities are :

	Payments to Related Party	Receipts from Related Party	Amounts owed to Related Party	Amounts due from Related Party
	£000s	£000s	£000s	£000s
Shropshire CCG	0	132,973	31	1,208
Telford and Wrekin CCG	0	90,611	4	1,124
South East Staffs And Seisdon Peninsular CCG	0	887	0	15
Stafford And Surrounds CCG	0	782	100	0
NHS England	10	63,999	1	5,623
Health Education England	0	12,313	0	18
NHS Litigation Authority	12,842	0	10	0
Robert Jones and Agnes Hunt Orthopaedic Hospital NHS FT	1,012	2,142	23	241
Mid Cheshire Hospitals NHS FT	902	7	236	5
Shropshire Community Health NHS Trust	760	3,149	314	450
The Royal Wolverhampton NHS Trust	596	916	103	40

In addition, the Trust has had a number of material transactions with other government departments and other central and local government bodies. Most of these transactions have been with the following entities:

	Payments to Related Party	Receipts from Related Party	Amounts owed to Related Party	Amounts due from Related Party
	£000s	£000s	£000s	£000s
Betsi Cadwaladr University Local Health Board	0	1,293	0	98
Powys Local Health Board	0	25,784	0	173
Welsh Assembly Government	0	902	0	36
National Health Service Pension Scheme	21,719	0	2,974	0
HM Revenue and Customs Trust Statement	16,839	0	4	668

The Trust has also received revenue and capital payments from a number of charitable funds, certain of the trustees for which are also members of the Trust board. The audited accounts/the summary financial statements of the Funds Held on Trust will be published

41. Losses and special payments

The total number of losses cases in 2016-17 and their total value was as follows:

	Total Value of Cases	Total Number of Cases
	£s	
Losses	742,424	363
Special payments	65,544	28
Gifts	0	0
Total losses and special payments and gifts	807,968	391

The total number of losses cases in 2015-16 and their total value was as follows:

	Total Value of Cases	Total Number of Cases
	£s	
Losses	498,659	599
Special payments	161,851	56
Total losses and special payments	660,510	655

Details of cases individually over £300,000

There were no cases individually exceeding £300,000 either for the current year or prior year.

42 Financial performance targets

The figures given for periods prior to 2009-10 are on a UK GAAP basis as that is the basis on which the targets were set for those years.

42 Breakeven performance

	2006-07 £000s	2007-08 £000s	2008-09 £000s	2009-10 £000s	2010-11 £000s	2011-12 £000s	2012-13 £000s	2013-14 £000s	2014-15 £000s	2015-16 £000s	2016-17 £000s
Turnover	205,748	227,241	247,233	262,882	277,980	299,850	309,362	314,106	316,794	326,477	**350,244**
Retained surplus/(deficit) for the year	(2,840)	4,102	4,127	(11,652)	(325)	(1,167)	3,216	(2,906)	(20,633)	(31,028)	**(5,709)**
Adjustment for:											
Timing/non-cash impacting distortions:											
Pre FDL(97)24 agreements	0	0	0	0	0	0	0	0	0	0	**0**
Prior Period Adjustments	0	(5,635)	0	0	0	0	0	0	0	0	**0**
Adjustments for impairments	0	0	30	12,364	351	1,053	2,148	3,170	8,363	16,572	**483**
Adjustments for impact of policy change re donated/government grants assets						173	(5,283)	(199)	140	(193)	**(405)**
Consolidated Budgetary Guidance - adjustment for dual accounting under IFRIC12*				0	0	0	0	0	0	0	**0**
Absorption accounting adjustment							0	0	0	0	**0**
Other agreed adjustments	0	0	0	0	0	0	0	0	0	0	**0**
Break-even in-year position	**(2,840)**	**(1,533)**	**4,157**	**712**	**26**	**59**	**81**	**65**	**(12,130)**	**(14,649)**	**(5,631)**
Break-even cumulative position	**(25,515)**	**(27,048)**	**(22,891)**	**(22,179)**	**(22,153)**	**(22,094)**	**(22,013)**	**(21,948)**	**(34,078)**	**(48,727)**	**(54,358)**

*Due to the introduction of International Financial Reporting Standards (IFRS) accounting in 2009-10, NHS Trust's financial performance measurement needs to be aligned with the guidance issued by HM Treasury measuring Departmental expenditure. Therefore, the incremental revenue expenditure resulting from the application of IFRS to IFRIC 12 schemes (which would include PFI schemes), which has no cash impact and is not chargeable for overall budgeting purposes, is excluded when measuring Breakeven performance. Other adjustments are made in respect of accounting policy changes (impairments and the removal of the donated asset and government grant reserves) to maintain comparability year to year.

	2006-07 %	2007-08 %	2008-09 %	2009-10 %	2010-11 %	2011-12 %	2012-13 %	2013-14 %	2014-15 %	2015-16 %	2016-17 %
Materiality test (I.e. is it equal to or less than 0.5%):											
Break-even in-year position as a percentage of turnover	-1.38	-0.67	1.68	0.27	0.01	0.02	0.03	0.02	-3.83	-4.49	**-1.61**
Break-even cumulative position as a percentage of turnover	-12.40	-11.90	-9.26	-8.44	-7.97	-7.37	-7.12	-6.99	-10.76	-14.93	**-15.52**

The amounts in the above tables in respect of financial years 2005/06 to 2008/09 inclusive have **not** been restated to IFRS and remain on a UK GAAP basis.

42.2. Capital cost absorption rate

The dividend payable on public dividend capital is based on the actual (rather than forecast) average relevant net assets based on the pre audited accounts and therefore the actual capital cost absorption rate is automatically 3.5%.

42.3. External financing

The Trust is given an external financing limit which it is permitted to undershoot.

	2016-17 £000s	2015-16 £000s
External financing limit (EFL)	10,325	9,501
Cash flow financing	10,325	9,501
Finance leases taken out in the year	0	0
Other capital receipts	0	0
External financing requirement	**10,325**	9,501
Under/(over) spend against EFL	**0**	0

42.4. Capital resource limit

The Trust is given a capital resource limit which it is not permitted to exceed.

	2016-17 £000s	2015-16 £000s
Gross capital expenditure	13,663	8,828
Less: book value of assets disposed of	0	(200)
Less: capital grants	0	0
Less: donations towards the acquisition of non-current assets	(1,397)	(795)
Charge against the capital resource limit	**12,266**	7,833
Capital resource limit	13,228	8,033
Underspend against the capital resource limit	**962**	200

The underspend was caused as the Trust's cash position does not enable it to invest in capital expenditure relating to internally generated capital resulting from donated asset depreciation.

43. Third party assets

The Trust held cash and cash equivalents which relate to monies held by the Trust on behalf of patients or other parties. This has been excluded from the cash and cash equivalents figure reported in the accounts.

	31 March 2017 £000s	31 March 2016 £000s
Third party assets held by the Trust - Patients' monies	**4**	14

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF SHREWSBURY AND TELFORD HOSPITAL NHS TRUST

We have audited the financial statements of Shrewsbury and Telford Hospital NHS Trust for the year ended 31 March 2017 under the Local Audit and Accountability Act 2014. The financial statements comprise the Trust Statement of Comprehensive Income, the Trust Statement of Financial Position, the Trust and Statement of Changes in Taxpayers' Equity, the Trust Statement of Cash Flows and the related notes 1 to 43. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the 2016-17 Government Financial Reporting Manual (the 2016-17 FReM) as contained in the Department of Health Group Accounting Manual 2016-17 and the Accounts Direction issued by the Secretary of State with the approval of HM Treasury as relevant to the National Health Service in England (the Accounts Direction).

We have also audited the information in the Remuneration and Staff Report that is subject to audit, being:

- the table of salaries and allowances of senior managers on page 37;
- the table of pension benefits of senior managers on page 38;
- the table of exit packages on page 43;
- the analysis of staff numbers and costs on page 39; and
- the table of pay multiples on page 37.

This report is made solely to the Board of Directors of Shrewsbury and Telford Hospital NHS Trust, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 43 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the Directors of the Trust those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Directors, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors, the Accountable Officer and auditor

As explained more fully in the Statement of Director's responsibilities in respect of the Accounts, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards also require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

As explained in the statement of the Chief Executive's responsibilities, as the Accountable Officer of the Trust, the Accountable Officer is responsible for the arrangements to secure economy, efficiency and effectiveness in the use of the Trust's resources.

We are required under section 21(3)(c), as amended by schedule 13 paragraph 10(a), of the Local Audit and Accountability Act 2014 to be satisfied that the Trust has

made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. Section 21(5)(b) of the Local Audit and Accountability Act 2014 requires that our report must not contain our opinion if we are satisfied that proper arrangements are in place.

We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Trust circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

In addition we read all the financial and non-financial information in the annual report and accounts to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Scope of the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance on the specified criterion issued by the Comptroller and Auditor General in November 2016, as to whether the Trust had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. The Comptroller and Auditor General determined this criterion as that necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Trust put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2017.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether, in all significant respects, the Trust had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the financial position of Shrewsbury and Telford NHS Trust as at 31 March 2017 and of its expenditure and income for the year then ended; and
- have been prepared properly in accordance with the National Health Service Act 2006 and the Accounts Directions issued thereunder.

Opinion on other matters

In our opinion:

- the parts of the Remuneration and Staff Report to be audited have been properly prepared in accordance with the Accounts Direction made under the National Health Service Act 2006; and
- the other information published together with the audited financial statements in the annual report and accounts is consistent with the financial statements.

Matters on which we are required to report by exception

We are required to report to you if:

- in our opinion the governance statement does not comply with the NHS Improvement's guidance; or
- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014; or
- we make a written recommendation to the Trust under section 24 of the Local Audit and Accountability Act 2014.

We have nothing to report in these respects

Exception Reports

Auditors Responsibilities

Breach of Statutory Target

We have a duty under the Local Audit and Accountability Act 2014 to refer the matter to the Secretary of State without delay if we have reason to believe that the Trust, or an officer of the Trust, is about to make, or has made, a decision involving unlawful expenditure, or is about to take, or has taken, unlawful action likely to cause a loss or deficiency.

On 10 May 2017 we referred a matter to the Secretary of State under section 30 of the Local Audit and Accountability Act 2014 in relation to the Trust reporting a deficit of £5.6 million in its financial statements and thus breaching its statutory duty to breakeven.

Proper arrangements to secure economy, efficiency and effectiveness

We report to you, if we are not satisfied that the Trust has put in place proper arrangements to secure economy efficiency and effectiveness in its use of resources.

Basis for qualified conclusion (Adverse) on reporting by exception

The Trust reported a deficit of £5.6 million in its financial statements for the year ending 31 March 2017, thereby breaching its duty under paragraph 2 (1) of Schedule 5 the National Health Service Act 2006, to break even.

The Trust does not forecast a surplus until 2020/21 which is based on the delivery of the Sustainable Service Plan. The implementation of this plan has been significantly delayed and is not meeting its expected timescales to achieve these forecasts.

The Trust is reporting that: clinical services are fragile with staff shortages in key areas; that it has continued to underperform against RTT and A&E targets; and that it has been unable to implement plans to address it's clinical service vision.
The Trust does not have embedded business continuity plans and is reporting significant risks in respect of backlog maintenance of IT infrastructure, necessary medical equipment as well as building maintenance

These issue are evidence of weaknesses in proper arrangements for planning finances effectively to support the sustainable delivery of strategic priorities and maintain statutory functions.

Qualified conclusion (Adverse) on reporting by exception

On the basis of our work, having regard to the guidance issued by the *Comptroller and Auditor General* in November 2016, we are not satisfied that, in all significant respects, Trust put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2017.

Certificate

We certify that we have completed the audit of the accounts of Shrewsbury and Telford Hospital NHS Trust in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.

Hassan Rohimun
for and on behalf of Ernst & Young LLP
Manchester

Date: 31/5/2017

2016-17 Annual Accounts of the Shrewsbury and Telford Hospital NHS Trust

STATEMENT OF THE CHIEF EXECUTIVE'S RESPONSIBILITIES AS THE ACCOUNTABLE OFFICER OF THE TRUST

The Chief Executive of the NHS Trust Development Authority has designated that the Chief Executive should be the Accountable Officer to the trust. The relevant responsibilities of Accountable Officers are set out in the Accountable Officers Memorandum issued by the Chief Executive of the NHS Trust Development Authority. These include ensuring that:

- there are effective management systems in place to safeguard public funds and assets and assist in the implementation of corporate governance;

- value for money is achieved from the resources available to the trust;

- the expenditure and income of the trust has been applied to the purposes intended by Parliament and conform to the authorities which govern them;

- effective and sound financial management systems are in place; and

- annual statutory accounts are prepared in a format directed by the Secretary of State with the approval of the Treasury to give a true and fair view of the state of affairs as at the end of the financial year and the income and expenditure, recognised gains and losses and cash flows for the year.

To the best of my knowledge and belief, I have properly discharged the responsibilities set out in my letter of appointment as an Accountable Officer.

I confirm that, as far as I am aware, there is no relevant audit information of which the trust's auditors are unaware, and I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the trust's auditors are aware of that information.

I confirm that the annual report and accounts as a whole is fair, balanced and understandable and that I take personal responsibility for the annual report and accounts and the judgments required for determining that it is fair, balanced and understandable.

Signed.....Chief Executive

Date 30/5/17

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

The directors are required under the National Health Service Act 2006 to prepare accounts for each financial year. The Secretary of State, with the approval of the Treasury, directs that these accounts give a true and fair view of the state of affairs of the trust and of the income and expenditure, recognised gains and losses and cash flows for the year. In preparing those accounts, directors are required to:

- apply on a consistent basis accounting policies laid down by the Secretary of State with the approval of the Treasury;

- make judgements and estimates which are reasonable and prudent;

- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the trust and to enable them to ensure that the accounts comply with requirements outlined in the above mentioned direction of the Secretary of State. They are also responsible for safeguarding the assets of the trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm to the best of their knowledge and belief they have complied with the above requirements in preparing the accounts.

By order of the Board

30/5/17 Date ..... Chief Executive

30/5/17 Date ..... Finance Director

Shrewsbury and Telford Hospital NHS Trust
Org Code: RXW
2016/17 Financial Monitoring and Accounts - Quarter 4

TRU Freetext - ROCR/OR/0190/002

Financial Monitoring and Accounts Forms

Form Name	Subcode / Maincode	Value	Text
TRU01_CNE	sc470 / mc01	0	Prior Period Adjustment
TRU03_STE	sc300 / mc01		Other Reserves Movements
TRU03_STE	sc180 / mc06	0	Other gains/losses
TRU03_STE	sc300 / mc06	0	Other Movements
TRU03_STE	sc280 / mc02	0	PDC Written Off
TRU05_REV	sc345 / mc01	4,987	OTHER CASH REVENUE
		4,987	Other Operating Income - Various
TRU05_REV	sc220 / mc01	27,882	Other Non NHS Revenue for Patient Care Activities
		27,794	Welsh bodies
		88	Prescriptions and Scottish/NI bodies
TRU05_REV	sc346 / mc01	0	Other Non-Cash Revenue
TRU05_REV	sc350 / mc01	4,987	Total Other Revenue (over 30% of Total Other Operating Revenue)
		4,987	Other Operating Income - Various
TRU06_EXP	sc320 / mc01	13	Other Auditors Remuneration
		13	Audit related assurance services
TRU06_EXP	sc357 / mc01	668	Other Cash Expenditure
		166	Injury Benefits/Early retirement Provisions
		78	Patients Travel
		324	Miscellaneous expenditure
TRU06_EXP	sc358 / mc01	0	Other Non Cash Expenditure
TRU13_INT	sc438 / mc07	0	In Year Movements of Revaluation Reserve Intangible Assets
TRU14_IMP	sc160 / mc01	0	PPE Impairment SoCI Other
TRU14_IMP	sc340 / mc01	0	Intangible Assets SoCI Other
TRU14_IMP	sc420 / mc01		INTANGIBLE ASSETS REVALUATION RESERVE: OTHER
TRU14_IMP	sc490 / mc01	0	Financial Assets SoCI Other
TRU14_IMP	sc530 / mc01		FINANCIAL ASSETS REVALUATION RESERVE: OTHER
TRU14_IMP	sc610 / mc01	0	NCA Held for Sale SoCI Other
TRU14_IMP	sc690 / mc01		INVENTORY IMPAIRMENT: OTHER
TRU14_IMP	sc930 / mc01	480	Total Impairments more than £300k
		480	Year End Revaluation of Estate as at 31.3.17
TRU14_IMP	sc770 / mc01		INVESTMENT PROPERTY IMPAIRMENT SoCI OTHER
TRU15_ICG	sc220 / mc01-mc02	966	Cap Commitments (Cur Yr) - (Pr Yr) over £35m different or 0 where (Pr Yr)>0
		966	MRI Scanner Enabling Works and Ophthalmology Schemes not completed 16.17
TRU16_AST	sc320 / mc01	877	OTHER RECEIVABLES - CURRENT
		767	CRU Receivables < 1 year
		110	Other Receivables
TRU16_AST	sc460 / mc01	1,464	OTHER RECEIVABLES - NON CURRENT
		1,464	CRU Receivables > 1 year
TRU16_AST	sc610 / mc01	0	OTHER ASSETS - CURRENT

TRU17_LIA	sc220 / mc01	3,051	Other Current Trade and Other Payables
		2,974	NHS Pension contributions
		77	Other Payables
TRU17_LIA	sc320 / mc01	0	Other Non Current Trade and Other Payables
TRU17_LIA	sc420 / mc01	0	Other Current Other Liabilities
TRU17_LIA	sc460 / mc01	0	Other Non Current Other Liabilities
TRU17_LIA	sc590 / mc01	0	Other Current Borrowings
TRU17_LIA	sc580 / mc01	0	Other Non Current Borrowings
TRU19_PRV	sc300 / mc01	0	Other Contingencies
TRU19_PRV	sc330 / mc01	0	Contingent Assets
TRU21_FAL	sc400 / mc01	0	Value Income/(Expenditure) - Events after Reporting Period
TRU22_LSP	sc310 to sc364		
	Cases		
1. Losses of C	0	0	
2. Fruitless Pa	0	0	
3. Bad Debts a	0	0	
4. Damage to f	0	0	
6. Administrati	0	0	
6. Constructive	0	0	
7. Book Keepi	0	0	
8. Compensati	0	0	
9. Extra Contra	0	0	
10. Ex Gratia P	0	0	
11. Extra statu	0	0	
12. Special Sei	0	0	
13. Gifts	0	0	
TRU24_CFN	sc240 / mc01	0	Other PPE additions
TRU24_CFN	sc280 / mc01	0	Other Intangibles additions
TRU26_CAS	sc290 / mc01	0	Other non cash movements in Statement of Financial Position Items
TRU26_CAS	sc430 / mc01	0	Other cash flow from operating activities
TRU26_CAS	sc490 / mc01	0	PFI prepayments - outward cash payments
TRU26_CAS	sc730 / mc01	0	Other investing cash flows
TRU26_CAS	sc790 / mc01	0	Other
TRU26_CAS	sc295 / mc01	0	Compensating adjustment Non cash movements in Statement of Financial Position Items for absorption accounting

Finance Director .....

Date 30th May 2017

The Shrewsbury and
Telford Hospital
NHS Trust

Paper 2i

Trust Headquarters
Stretton House
Mytton Oak Road
Shrewsbury
Shropshire
SY3 8XQ

Tel: 01743 261114
www.sath.nhs.uk

Ernst & Young
100 Barbirolli Square,
Manchester,
M2 3EY,
United Kingdom

30th May 2017

Dear Sirs

This letter of representations is provided in connection with your audit of the financial statements of The Shrewsbury and Telford Hospital NHS Trust ("the Trust") for the year ended 31 March 2017. We recognise that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion as to whether the financial statements give a true and fair view of (or 'present fairly, in all material respects,') the financial position of Shrewsbury and Telford NHS Hospital Trust as of 31 March 2017 of its financial performance (or operations) and its cash flows for the year then ended in accordance with the Secretary of State Directions and the Department of Health (DH) Group Accounting Manual (GAM).

We understand that the purpose of your audit of our financial statements is to express an opinion thereon and that your audit was conducted in accordance with International Standards on Auditing (UK and Ireland), which involves an examination of the accounting system, internal control and related data to the extent you considered necessary in the circumstances, and is not designed to identify - nor necessarily be expected to disclose - all fraud, shortages, errors and other irregularities, should any exist.

Accordingly, we make the following representations, which are true to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

A. Financial Statements and Financial Records

1. We have fulfilled our responsibilities, under the relevant statutory authorities as set out in the PSAA Terms of Appointment for the preparation of the financial

statements in accordance with the Secretary of State Directions and the Department of Health (DH) Group Accounting Manual (GAM).

2. We acknowledge, as members of management of the Trust, our responsibility for the fair presentation of the financial statements. We believe the financial statements referred to above give a true and fair view of the financial position, financial performance (or results of operations) and cash flows of the Trust in accordance with Secretary of State Directions and the Department of Health (DH) Group Accounting Manual (GAM), and are free of material misstatements, including omissions. We have approved the financial statements.

3. The significant accounting policies adopted in the preparation of the financial statements are appropriately described in the financial statements.

4. As members of management of the Trust, we believe that the Trust has a system of internal controls adequate to enable the preparation of accurate financial statements in accordance with the Secretary of State Directions and the Department of Health (DH) Group Accounting Manual (GAM) that are free from material misstatement, whether due to fraud or error.

5. We believe that the effects of any unadjusted audit differences, summarised in the accompanying schedule, accumulated by you during the current audit and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

B. Fraud

1. We acknowledge that we are responsible for the design, implementation and maintenance of internal controls to prevent and detect fraud.

2. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

3. We have no knowledge of any fraud or suspected fraud involving management or other employees who have a significant role in the Trust's internal controls over financial reporting. In addition, we have no knowledge of any fraud or suspected fraud involving other employees in which the fraud could have a material effect on the financial statements. We have no knowledge of any allegations of financial improprieties, including fraud or suspected fraud, (regardless of the source or form and including without limitation, any allegations by "whistleblowers") which could result in a misstatement of the financial statements or otherwise affect the financial reporting of the Trust.

C. Compliance with Laws and Regulations

1. We have disclosed to you all identified or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.

D. Information Provided and Completeness of Information and Transactions

1. We have provided you with:

   - Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;

   - Additional information that you have requested from us for the purpose of the audit; and

   - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

2. All material transactions have been recorded in the accounting records and are reflected in the financial statements.

3. We have made available to you all minutes of the meetings of the Board, and committees held through the year to the most recent meeting on the following date: 30th March 2017.

4. We confirm the completeness of information provided regarding the identification of related parties. We have disclosed to you the identity of the Trust related parties and all related party relationships and transactions of which we are aware, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, guarantees, non-monetary transactions and transactions for no consideration for the period ended, as well as related balances due to or from such parties at the year end. These transactions have been appropriately accounted for and disclosed in the financial statements.

5. We believe that the significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.

6. We have disclosed to you, and the Trust has complied with, all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.

E. Liabilities and Contingencies

1. All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.

2. We have informed you of all outstanding and possible litigation and claims, whether or not they have been discussed with legal counsel.

3. We have recorded and/or disclosed, as appropriate, all liabilities related litigation and claims, both actual and contingent, and have disclosed in Note 34 to the financial statements all guarantees that we have given to third parties.

F. Subsequent Events

1. Other than described in Note 39 to the financial statements, there have been no events subsequent to period end which require adjustment of or disclosure in the financial statements or notes thereto.

G Agreement of Balances and key judgments

1. We have disclosed to you details of all transactions and judgments we have made on income and expenditure, payable and receivable balances with counter-parties irrespective of whether or not they have been included in the 2016/17 Agreement of Balances Exercise

2. We have agreed balances, disputes and claims with all NHS bodies via the Agreement of Balances process and where not agreed, we have reported the matter to you.

3. We have disclosed to you all of the risks and judgments we have made in arriving at the Trust's reported financial outturn for financial year ended 31 March 2017.

H. Other information

1. We acknowledge our responsibility for the preparation of the other information. The other information comprises of the Annual Report.

2. We confirm that the content contained within the other information is consistent with the financial statements.

I Segmental reporting

1. We have reviewed the operating segments reported internally to the Board and We are satisfied that it is appropriate to aggregate these as, in accordance with IFRS 8:Operating Segments, they are similar in each of the following respects:

    - The nature of the products and services
    - The nature of the production processes
    - The type or class of customer for their products and services
    - The methods used to distribute their products

J Use of the Work of a Specialist

1. We agree with the findings of the specialists that we engaged to evaluate the property valuation and have adequately considered the qualifications of the specialists in determining the amounts and disclosures included in the financial statements and the underlying accounting records. We did not give or cause any instructions to be given to the specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any

matters that have had an effect on the independence or objectivity of the specialists.

Yours faithfully,

(Chief Executive)

(Finance Director)

Schedule of Unadjusted Errors

Item of account	Statement of Financial Position	Statement of comprehensive income and expenditure
	Debit/(Credit) £000	Debit/(Credit) £000
Depreciation	297	(297)
Total	**297**	**(297)**

Appendix 3

Annual Governance Statement

Annual Governance Statement – 2016/17

1 Scope of Responsibility

As Accountable Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of The Shrewsbury and Telford Hospital NHS Trust policies, aims and objectives. I also have responsibility for safeguarding quality standards, public funds and the organisation's assets for which I am personally responsible in accordance with the responsibilities assigned to me. I am also responsible for ensuring that the Trust is administered prudently and economically and that resources are applied efficiently and effectively. I acknowledge my responsibilities as set out in the NHS Accountable Officer Memorandum, including recording the stewardship of the organisation to supplement the annual accounts.

In the delivery of my responsibilities and objectives, I am accountable to the Board and my performance is reviewed regularly and formally by the Chairman on behalf of the Board. During 2016/17, the organisation routinely reported on financial, operational, and strategic matters to NHS Improvement (NHSI). During 2016/17 meetings were held with senior officers at NHSI in relation to performance and the Trust's trajectory towards achieving full compliance against required targets under the Accountability Framework.

2 The governance framework of the organisation

2.1 Board Committee Structure

The Trust Board has overall responsibility for the activity, integrity, and strategy of the Trust and is accountable, through its Chair, to the NHSI. The role of the Board is largely supervisory and strategic, and it also has the following key functions:

- To set strategic direction, define Trust objectives and agree Trust operating plans
- To monitor performance and ensure corrective action is taken where required
- To ensure financial stewardship
- To ensure high standards of corporate and clinical governance
- To appoint, appraise and remunerate directors
- To ensure dialogue with external stakeholders

The Director of Corporate Governance is the Trust Secretary and provides senior leadership in corporate governance. The Board approves an annual schedule of business and a regular update which identifies the key reports to be presented in the coming quarter. Exception reports to the Board ensure that the Board considers the key issues and makes the most effective use of its time. Tier 2 Assurance Committees also report through the Chair of the Committee and written summaries to the Board. The Trust Board met a total of eight times in public during the year including the AGM; and Board papers are published on the Trust website.

Trust Board Attendance	Year ending 31st Mar 17
Name and Title	**Attendance**
Professor Peter Latchford – Chair	8/8
Harmesh Darbhanga – Non-Executive Director	7/8
Brian Newman – Non-Executive Director	7/8
Clive Deadman – Non Executive Director	5/8
Paul Cronin – Non-Executive Director – from Sept 16	3/3
David Lee – Non-Executive Director – from Dec 16	2/2
Chris Weiner – Non-Executive Director – from Dec 16	2/2
Robin Hooper – Non-Executive Director – until Sept 16	5/5
Donna Leeding – Non-Executive Director – until April 16	0/1
Simon Walford – Non-Executive Director – until Sept 16	5/5
Simon Wright – CEO	8/8
Neil Nisbet – Finance Director	8/8
Debbie Kadum – Chief Operating Officer	7/8
Edwin Borman – Medical Director	8/8
Sarah Bloomfield – Director of Nursing and Quality (until Jan 2017)	5/6

Helen Jenkinson – Acting Director of Nursing and Quality (Feb 17)	0/1
Colin Ovington – Interim Director of Nursing and Quality (Mar 17	1/1

The Trust's Standing Orders, Standing Financial Instructions and Reservation and Delegation of Powers were updated in September 2016 to take account of changes to the Trust's governance arrangements and legislation. The Standing Orders were adhered to throughout the year and no suspensions were recorded.

The Trust's policy on Standards of Business conduct was revised in 2014 to take account of new requirements following the enactment of The Bribery Act (2010). The policy includes amendments from our Local Counter Fraud Specialist to clarify the requirements on declaration of gifts who recommended that the requirement to declare interests be extended to wider groups of staff. This recommendation has been implemented to include all permanent medical staff; all staff at band 8 and above; specialist nurses; and all procurement and stores staff. The Board's Register of Interests was kept updated during the year.

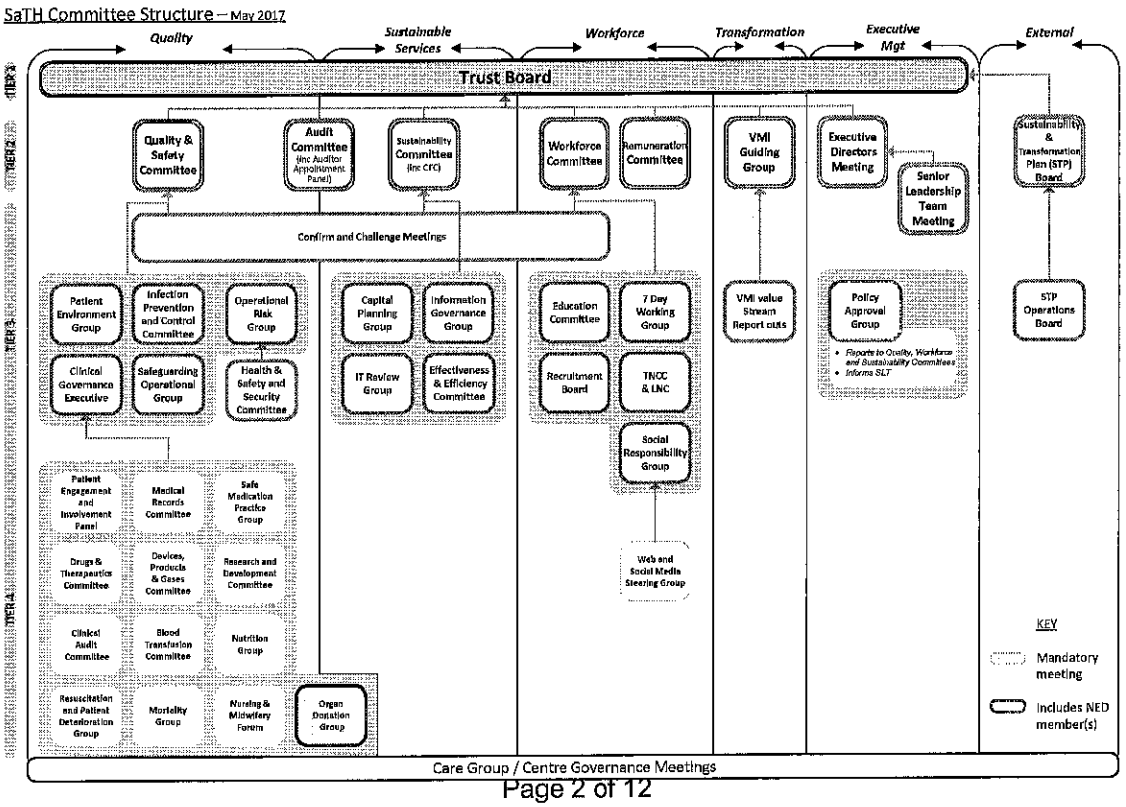
2.2 Board Performance

Membership of the Board of Directors is made up of the Trust Chair, six independent Non-Executive Directors, and five Executive Directors (including the Chief Executive). The Director of Nursing and Quality left the Trust in January 2017. In the period until the end of the financial year, the Deputy Director of Nursing and Quality was the acting Director during February, and an interim Director was in post from March. One of the non-executives retired in September 2016, having served for two full terms and a further two non-executives stepped down during the year. Replacements took up position in December 2016. In addition, a non-executive director designate was appointed in December 2016 to facilitate succession planning.

Directors are required to adhere to the highest standard of conduct in the performance of their duties. In respect of their interaction with others, the Trust Board operates under an explicit Code of Conduct, which is compliant with the NHS Code of Governance. The Board of Directors of the Trust are required to agree and adhere to the commitments set out in the Code of Conduct, which includes the principles set out by the Nolan Committee on Standards in Public Life. Once appointed, Board Members are required to sign a declaration to confirm that they will comply with the Code in all respects.

2.3 Board Committees

The Board has overall responsibility for the effectiveness of the governance framework and requires that each of its sub-committees has agreed terms of reference which describes the duties, responsibilities and accountabilities, and describes the process for assessing and monitoring effectiveness. The Board has standing orders, reservation, and delegation of powers and standing financial instructions in place which are reviewed annually.



The Board operates with the support of five Tier 2 committees accountable to the Trust Board; the VMI Guiding Group and the Executive Directors meeting. All the Tier 2 committees have at least one Non-executive Director member. The chairs of each of the sub-committees routinely present written and verbal reports to the Board highlighting key issues and decisions at their meetings. Approved minutes of each sub-committee area also presented at public Board meetings. All meetings were quorate during the year.

Two of the Tier 2 Committees are Non-Executive Committees (Audit, Remuneration). Although these Committees have a membership consisting of only Non-Executive Directors, other Directors will attend as required. The other three Committees are chaired by a Non-Executive Director, (Sustainability, Quality and Safety, and Workforce). Minutes of these meetings demonstrate that Non-Executive Directors oversee progress and provide challenge to the Directors. The Chairs of Sustainability Committee and Quality and Safety Committee are also members of the Audit Committee. The Virginia Mason Institute (VMI) Guiding Group is executive in nature, but has a Non-Executive member.

The Audit Committee is the senior board committee responsible for oversight and scrutiny of the Trust's systems of internal control and risk management. It ensures that there are effective internal audit arrangements in place that meet mandatory NHS Internal Audit Standards and provides independent assurance to the Board. The Committee reviews the work and findings of External Audit and maintains oversight of the Trust's Counter Fraud arrangements. Attendance through the year was in line with the requirements of the Terms of Reference. The Audit Committee met 6 times during 2016/17. It was chaired by a Non-Executive Director, who submits a regular report to the Trust Board. Items brought to the attention of the Board during the year included (meeting date in brackets):

- **Counter Fraud Annual Report 2015/16 (14th April 2016)**
  The Committee was pleased to note that the Trust continued to attain full compliance with NHS Protect Standards (Strategic Governance, Inform and Involve, Prevent & Deter, Hold to Account) and was awarded Green – Standard Met. It was noted that many other Trusts do not achieve the standards. It was noted that there was one red area in the Prevent & Deter standard relating to weaknesses in the Estates Department in procurement processes, which have been addressed through workshops to ensure staff are clear on correct processes.

- **Annual Accounts 15/16 (2nd June 2016)**
  There was extensive discussion around the difference in opinion between the Trust and External Audit on the treatment of depreciation. External Audit explained that they considered that as depreciation was an estimation it should be applied in line with IAS08, ie prospectively. They therefore classified this as an uncorrected error and wished to bring it to the attention of Audit Committee. They confirmed it was not a material difference and would not affect the unqualified opinion on the accounts if it was not corrected. The Finance Director explained that, whilst accepting depreciation was an estimation, the Trust has treated depreciation in accordance with IAS 16 – Property, Plant and Equipment whereby equipment is depreciated by adopting a "straight line basis" and using predetermined asset lives as established by the NHSE. The exercise of reassessing asset lives also confirmed that the level of internally generated resources available to the Trust would, for the foreseeable future, be insufficient to support the replacement of equipment more quickly and as such the actual usage of asset lives provided a more accurate description of the "pattern of consumption" of these assets than used previously. IAS 16 requires organisations to review on an annual basis the asset lives. Given the findings of the review it was decided to change the asset lives to one based upon actual usage. This ensures that the carrying amount on the books is correctly stated. This approach was notified to the external auditors, and the methodology was audited in January as part of the pre – end of year review.

  It was noted that the positions could not be reconciled and was an argument over the technical treatment of a change. It was further noted that previous differences in treatments had occurred between the Trust and previous External Auditors (KPMG) so this was not a novel situation. It was further noted that the TDA had been contacted and they confirmed over recent years a number of Trusts have found themselves in this position. Their Financial team have (as ours have) declared the one off benefit in year, as we have, and had a similar debate with their auditors which also saw them submit their annual accounts statement based upon their interpretation of the position and not correcting the position as suggested by External Audit.

In light of this the Committee agreed that it would reflect the difference in the management representation Letter and recommend that the Board adopt the accounts as stated

- **Value For Money (2nd June 2016)**
  The Committee considered the qualified 'except for' opinion on Value for Money (VFM) to be a substantive issue. It was noted that against other external metrics the Trust is performing in the upper quartile and the Opinion seemed perverse and unfair in this context. The Committee recognised the framework that External Audit had to operate within but felt this was a framework constructed at a time when the NHS was in surplus and did not make sense in a national position where 80% of Trusts were in deficit and therefore breaking their statutory duty, which was a key, albeit unfair, condition applied to arriving at the VFM opinion, which did not reflect the efforts and hard work of NHS workforce both nationally and locally

  The Committee discussed the many contributory factors to the Trust's financial position included a gap between contracted and actual activity levels, with associated impact on staffing levels and costs, along with an equally serious impact on achieving targets and pursuing clinical excellence and expressed its disappointment that External Audit had been unable to reflect this in their findings.

  It was noted that the independent evidence for the Trust's very good VFM position included the Award for the 4th year from CHKS as being in the top 40 of the most efficient and effective hospital. Furthermore the Trust's Reference costs were low (95 compared to an NHS average of 100) and that the Trust delivered and exceeded all the targets and measures that it committed to at the beginning of the year. So the technical evaluation by External Audit based on rigid criteria was a gross misinterpretation and reflected an inappropriate and unjust framework.

  The Audit Committee asked for this view to be submitted nationally by the External Auditors and resolved to have their position recorded in the strongest terms in both the minutes of the Audit Committee and the Board meeting that followed to receive and adopt the financial statements.

- **Board Assurance Framework (15th Sept 2016)**
  The Committee reviewed the Board Assurance Framework and were pleased to note the new arrangements whereby the appropriate tier 2 Committee (Workforce, Quality and Safety, Sustainability) reviewed the BAF risks at each meeting

- **Annual Audit Letter (15th Sept 2016)**
  The Committee discussed External Audit's use of the word "unlawful" within their Annual Audit Letter. It was confirmed that this referred to the delivery of a deficit control total, which, as in previous years, would be reported to the Secretary of State. It was noted that the Trust's previous External Auditors described the position as a "breach of statutory regulations" which more accurately reflected that the breach had been agreed with the TDA and that there were plans in place to work to a sustainable position and 85% of Trusts were in this position.

- **In year changes to the Internal Audit Plan (15th Sept 2016)**
  The Committee approved a change to the Internal Audit Plan to ensure the budget was not compromised. It was agreed that the planned audit of the Outline Business Case and Outpatients as they would be scrutinised independently through external review of the OBC. Prior to submission and on Outpatients work that the Transforming Care Programme will be picking up as Value Stream 4.

  Preliminary work was carried out on the Budgetary Control audit; however, it was suggested that there be an extension to scope. The Committee discussed this approach and agreed with the auditors that although the controls in finance are good, the operational practice in the Care Groups and wider Trust result in a failure of the controls. The auditors proposed reviewing practice outside of finance to better understand the position. The Audit Committee supported the extension of scope to this audit.

2.4 Corporate Governance

The Well-Led Framework combines the Board Governance Assurance Framework and the Quality Governance Framework and includes the 'Fit and Proper Persons' test. The Trust Board is assured on a monthly basis that we continue to demonstrate compliance with relevant governance requirements at all times. An enhanced Board Development Programme is in place. Performance of the formal sub-committees of the Board are periodically reviewed to ensure the structure is fit-for-purpose; with clear focus on key strategic imperatives, assurance of systems, the reduction of duplication and delivery against robust plans. The Chair observed the Tier 2 Committees of Quality, Sustainability and Workforce, supported by the Director of Corporate Governance during January and February 2017. Specific issues were discussed with the relevant Committee Chair and Lead Director by the Trust Chair and CEO respectively and a number of general recommendations made which apply to all Committees.

Through its governance arrangements and the reviews undertaken by Deloitte and the construction of the Board Governance Memorandum, I am assured that the Trust complies with the HM Treasury/Cabinet Office Corporate Governance Code and does not have any significant departures from the Code.

2.5 Quality Governance

The Director of Nursing and Quality has delegated responsibility for Quality and Safety. The performance of Quality has been monitored closely by the Board with detailed, monthly performance reviews. Scrutiny of this aspect is also part of the role of the Quality and Safety Committee. The Trust has worked with clinical staff to establish Key Performance Indicators to monitor quality from the ward to the Board.

The annual clinical audit plan is linked to the Trust priorities and risks and is monitored by the Clinical Audit Committee, which reports to the Quality and Safety Committee. A patient panel was established in 2013 which enables suitably trained patients and members of the public to undertake clinical audits. The patient panel has been recognised nationally as an area of good practice.

All serious incidents are reported to Commissioners and to other bodies in line with current reporting requirements. Root cause analysis is undertaken with monitored action plans. There were two 'never events' reported in 2016/17. The first was a case of wrong site surgery when in incorrect skin lesion was removed. The procedures for removal of skin lesions have been changed. The second was the removal of a wrong tooth and a number of actions have been implemented, including Human Factors training. These cases support the work already on going within the Trust to implement the National Standards for Safety of Invasive Procedures (NATSSIPS)

The 2016/17 Quality Account is currently in preparation and the content and two of the indicators will be reviewed by External Audit to provide some assurance on the accuracy of the account.

Following a serious case in maternity in 2009 and a number of external reviews, the Secretary of State for Health commissioned an independent review of the investigation of maternity serious incidents in February 2017.

2.6 Arrangements in place for the discharge of statutory functions

The Civil Contingencies Act 2004 (Contingency Planning) (Amendment) Regulations 2012 made changes to the way Civil Contingencies requirements are delivered. This resulted in NHS England producing a set of Emergency Preparedness, Resilience and Response (EPRR) core standards for Trusts. The requirement was set out for NHS Trusts to identify an Accountable Emergency Officer. In this Trust the Chief Operating Officer (COO) is the Accountable Officer. In September 2016 the Trust was required by NHS England to submit a compliance statement set against the EPRR Core Standards to their Area Team and the CCG for assessment. Shrewsbury and Telford Hospital NHS Trust were reviewed by the panel and evaluated as partially compliant. This is a lower level of compliance from the 2015-2016 assessment due to a change in the scoring system. Key areas that required attention include training and preparedness within RSH ED and Trust wide Business Continuity. Plans are in place to address these and we are confident that we will be able to improve the compliance level. The September Board approved the Trust's assessment of its current status of compliance against the core standards, along with an implementation plan and associated monitoring.

The Trust continues to work with the NHS England, the Local Health Resilience Partnership (LHRP) and other responders within the local community to ensure continuity of robust EPRR.

Control measures are in place to ensure that all the organisation's obligations under equality, diversity, and human rights legislation are met. Equality Impact Assessment forms part of the Trust documentation for policy creation and ensures all policies are assessed.

Control measures are in place to ensure that patients, the public, and staff with disabilities are able to access buildings on the Trust's sites. All new estates schemes, as well as refurbishments, or ad-hoc improvements, are assessed to ensure that they meet the requirements of the Disability Discrimination Act.

As an employer, with staff entitled to membership of the NHS Pension scheme, control measures are in place to ensure all employer obligations contained within the Scheme regulations are met. This includes ensuring that deductions from salary, employer's contributions, and payments in to the Scheme are in accordance with the Scheme rules, and that member Pension Scheme records are accurately updated in accordance with the timescales detailed in the Regulations.

As the basis for our five-year Sustainable Development Management Plan (SDMP), the Trust self-assesses performance annually using the NHS Sustainable Development Unit 'Good Corporate Citizen' (GCC) tool. Self–assessment carried out in December 2016 against the nine domains again shows an increase in the Trust's GCC score from 62% (2015) to 65%, continuing to demonstrate how the Trust is leading the way in its commitment towards sustainability. This past year's highlights include successfully improving the environment for our local population and reducing consumption of finite resources. Factoring in the increased footprint of our estate, carbon emissions have reduced by 5.3% compared with the 2007/08 baseline. Although the Trust produced around 36,000 tonnes of carbon over the last financial year as a result of procurement activities, relative to total spend this equates to an overall reduction of 13% since our SDMP was launched in 2014. We continually seek to reduce the emissions locally by assessing our top 20 suppliers via an annual sustainability questionnaire to evaluate their performance. This will help the Trust consolidate our 'Getting There' score and achieve a score of 'Excellent' in the Procurement standard by 2018/19. Also, to further demonstrate our ambition to covet finite resources, the Trust achieved national recognition for the third year running in 2016, being highly commended at the national NHS Sustainability Awards for our successful efforts in significantly reducing water consumption through investing in food waste digesters.

The Trust has a robust system in place to assure the quality and accuracy of elective waiting time data. The Trust has in place a system to validate and audit its elective waiting time data on a weekly and monthly basis with random specialty audits being carried out to quality assure the validation process. The process has been audited by Internal Audit, and implementation of recommendations monitored.

3 Risk Assessment

The Trust's Risk Management Strategy is updated and approved each year by the Trust Board. The Strategy describes an integrated approach to ensure that all risks to the achievement of the Trust's objectives, are identified, evaluated, monitored, and managed appropriately. It defines how risks are linked to one or more of the Trust's strategic or operational objectives, and clearly defines the risk management structures, accountabilities, and responsibilities throughout the Trust.

Risk assessment is a key feature of all normal management processes. All areas of the Trust have an ongoing programme of risk assessments, which inform the local risk registers. This process was audited by the Trust's Internal Audit who found there was substantial assurance, around the processes in place for the fifth successive year. Risks are evaluated using the Trust risk matrix which feeds into the decision making process about whether a risk is considered acceptable. Unacceptable risks require control measures and action plans to reduce them to an acceptable level. The risk registers are reviewed regularly and if a risk cannot be resolved at a local level, the risk can be escalated through the operational management structure, ultimately to the Trust Board. Each risk and related action has an identified owner who is responsible for monitoring and reporting on the risk to the appropriate committee(s) and for implementing changes to mitigate the risk in a specified timeframe.

The BAF enables the Board to undertake focused management of the principal risks to achievement of the organisations objectives. There is a schedule of associated action plans for each key risk which identifies the date and Committee of last presentation. Progress against mitigating these principal risks is proactively monitored and reported to Trust Board.

The BAF risks during the year were:

- ***If we do not deliver safe care then patients may suffer avoidable harm and poor clinical outcomes and experience*** This risk has continued to improve during the year. There are good clinical outcomes reported in the mortality indicators; however, the Trust continues to experience exceptional levels of demand and concerns of capacity both in our inpatient and emergency areas. This has led to patients being escalated and occupying spaces that are sub-optimal in terms of our ability to care for them safely or with dignity and respect. The risks assessed and incidents such as from Datix, complaints, infection prevention control, safeguarding, staffing and legal claims are triangulated by the corporate nursing team to gain assurance that where possible risks are lessened The Trust continued to work with the Virginia Mason Institute (VMI) who transformed its systems to become widely regarded as one of the safest hospitals in the world. Virginia Mason are providing training and coaching to draw inspiration and develop new ways of working.

- ***If we do not work with our partners to reduce the number of patients on the Delayed Transfer of Care (DTOC) lists, and streamline our internal processes we will not improve our 'simple' discharges.*** The has been a 14% increase in Fit for Transfer lost bed days compared to the previous year. At times, there have been almost 80 patients in hospital beds who are fit to be discharged from acute care, and routinely the patient worklist patients have occupied 15% of bed capacity. This risk impacts on many of the other risks the Trust is facing. The three main reasons for delays are domiciliary care provision and nursing/residential home placements and an increase in further non-acute care including rehabilitation. Although the Trust has worked with partner agencies to improve the situation; and there has been an increase in funded care packages, this has not been sufficient to improve the situation. Given the over-riding responsibility of the Board for patient safety and experience, this remains a source of difficulty.

- ***If there is a lack of system support for winter planning then this would have major impacts on the Trust's ability to deliver safe, effective and efficient care to*** **patients** This new risk was identified in October 2016. An internal winter planning group was established with representation from all four Care Groups. The aim of the group was to look at ways to create additional capacity on both sites and protect activity. Trusts need to have sufficient capacity to manage the random variation inherent in the number of shorter stay admissions. This is achieved by having a bed occupancy rate of no more than 85%. SaTH consistently has bed occupancy of approximately 98%.

  Several options were considered. It proved challenging to engage with external partners to create a whole system plan due to the financial pressures within the system. £1.2m was assumed to be available from Commissioners but was in dispute. The total cost of the winter plan was not affordable within the control total for 16/17. The Board therefore had to balance the competing risk of not delivering the financial control total with the risk of having insufficient capacity to safely care for patients who present over the winter period and maintain the current RTT position. During March 2017 the Trust and Shropshire CCG Commissioners agreed a financial year end settlement which enabled the Trust to deliver its required control total. However this position was agreed based on actual levels of activity being performed by the Trust and did not include any specific funding for the Trust's Winter Plan.

- ***Risk to sustainability of clinical services due to potential shortages of key clinical staff*** This risk continues to be a significant issue for the Trust. The risk relates to risks of staffing gaps in key clinical areas for which the longer term plan is being developed through NHS Future Fit. One of the key drivers for NHS Future Fit is the difficulty in attracting staff to a split site service with onerous on-call commitments which, unless changes are made, is likely to struggle in future to meet key national standards and guidance. Further delays in the Future Fit process resulted in more resignations of staff from key clinical areas due to the uncertainty engendered. There are a number of fragile services including the Emergency Departments where there are 5 Substantive Consultants for both Emergency Departments at RSH and PRH and 4 Locum Consultants. Across the substantive and locum staff a 1:5 on call is worked (1:4 = tipping point). Other services at risk include dermatology (a single consultant due a resignation; spinal surgery (no consultant due to sudden long term sickness) Ophthalmology particularly glaucoma surgery; and neurology (two consultants instead of the required six).

- ***If we do not achieve safe and efficient patient flow and improve our processes and capacity and demand planning then we will fail the national quality and performance standards*** The Trust has failed the incomplete standard in relation to Referral-to-Treatment target. The growth in the volume of emergency activity and the acuity of patients combined with increased length of stay has reduced elective bed capacity and as such compromised the performance in respect of admitted activity. In addition, capacity has again been substantially impacted upon by winter pressure. The Trust has maintained performance for the cancer waiting times targets where the Trust is performing above the national average. The A&E performance has not been achieved and the Trust has consistently underperformed on both the original TDA trajectory and the revised trajectory. A confounding factor has been a shift in complexity with a 12% rise in patients with major complications when compared with the previous year. Other reasons for the failure to meet the target include due to the high demand for services and the increase in numbers of patients who are fit-to-transfer, but occupying a hospital bed.

- ***If we do not have a clear clinical service vision then we may not deliver the best services to patients*** The Trust has a clear clinical service vision, but has been unable to progress the plans due to external constraints. Many services are fragile, due to staff shortages. Although a significant amount of work has taken place the public consultation has been further delayed and remains a significant issue for 2016/17.

- ***If we do not get good levels of staff engagement to get a culture of continuous improvement then staff morale & patient outcomes may not improve*** Work has started to further develop leaders in our organisation, and the Leadership Academy will be formally launched during 2017. Values based recruitment is used to inform recruitment decisions at all levels of the organisation. The results of the national staff survey show an improvement over last year.

- ***If we are unable to resolve the structural imbalance in the Trust's Income & Expenditure position then we will not be able to fulfil our financial duties & address the modernisation of our ageing estate & equipment*** At the end of the 2016/17 Financial Year the Trust delivered a £5.9m deficit in line with the required target set by the NHSI and subsequently received a level of bonus Sustainability and Transformation Fund in recognition of delivering the required control total. As a result the Trust's year end financial position for 2016/17 is a deficit of £5.631m, £269k improvement on the £5.9m control total. A number of cash restrictions were put in place to aid the Trust's cash shortfall, including extending suppliers' payment terms. Capital accruals were used to temporarily ease the situation, however without a serious reduction in spend; there will be a very significant cash problem in the opening months of the new financial year. The Trust has begun to address the highest backlog maintenance issues using risk prioritisation but the capital available is very limited and so a high level of risk remains.

Data security

Information Governance incidents are reported via the Trust's incident reporting system. There were four data lapses in the year which were reported to the Information Commissioner. These cases were

1. A patient received a letter from SaTH containing appointment letters relating to 5 other patients
2. A patient received a letter containing letters relating to 6 other patients that was intended for the GP Surgery. Staff have been asked to be vigilant when printing letters.
3. A member of staff treated as a patient had their confidentiality breached –information was shared with the department where they work. This is the subject of a HR investigation.
4. A file containing patient survey details was inadvertently attached and sent to the wrong recipient - the national patient survey centre, who immediately deleted the file and informed the Trust.

The Finance Director is the nominated Senior Information Risk Officer (SIRO) who is responsible along with the Medical Director as Caldicott Guardian, for ensuring there is a control system in place to maintain the security of information. The result of the Information Governance Toolkit Assessment provides assurance that this is being managed. The overall result for SaTH was 75% (Satisfactory). The Trust attained at least level 2 compliance in all 45 requirements.

4 The Risk and Control Framework

Risk Management is embedded within the organisation in a variety of ways including policies which require staff to report incidents via the web-based reporting system.

The Annual Plan is agreed by the Trust Board and reported to the NHSI. This includes objectives, milestones, and action owners and is revised by the board quarterly.

Rigorous budgetary control processes are in place with robust management of Cost Improvement Plans. Outcomes are measured by monthly review of performance to the Board. The Quality Committee review Quality Impact Assessments required across all aspects of change, cost improvement programmes, or capital build prior to discussion at the Trust Board.

The organisation provides annual mandatory and statutory training for different levels of staff depending on their responsibilities as detailed in the Risk Management Training Policy. This includes risk awareness training which is provided to all staff as part of their mandatory corporate induction programme. Risk management awareness training was provided throughout 2016/17 at all levels of the organisation.

The Integrated Performance Report is a standing Board agenda item. The report summarises the Trust's performance against all the key quality, finance, compliance, and workforce targets.

The Trust has a Local Counter Fraud Specialist (LCFS) whose work is directed by an annual workplan agreed by the Audit Committee. As well as investigating potential frauds, notified to the LCFS by the Trust, there has been a programme of continuous control monitoring including Conflicts of Interest; Recruitment; Overtime Claims; Agency Timesheets; and Patients' Property. There have been proactive exercises to detect potential fraud including examining the anti-fraud controls within the Estates Department; and looking at Consultant Job Planning. The LCFS has worked with the Trust to further enhance the system in place for declarations of interest.

The Head of Internal Audit provides an opinion on the overall arrangements for gaining assurance through the BAF, and on the controls reviewed as part of Internal Audit's risk-based annual plan. Internal Audit's review of the Trust's Assurance Framework gave substantial assurance and made four medium and three low priority recommendations mainly relating to reporting within the electronic risk register system.

During the year, Internal Audit reported on seven core audits and one performance audit. Internal Audit issued substantial assurance ratings for four core audits, and moderate assurance ratings for three core audits. The moderate assurance ratings relate to debtors and income (no high priority recommendations) procurement (four high priority recommendations); and computer-based IT controls (two high priority recommendations). Actions to rectify these weaknesses are being implemented.

Formal actions plans have been agreed to address the significant control weaknesses in all areas. Implementation of the recommendations has been tracked and has demonstrated an improvement in the timeliness of implementation with one overdue action at year-end due to a delay in reassigning an action There have been no common weaknesses identified through Internal Audit reviews.

The Head of Internal Audit's Opinion is based on the work undertaken in 2016/17. The overall opinion for the year ended 31 March 2017 is that moderate assurance can be give as there is a generally sound system of internal control designed to meet the organisation's objectives but the level of non-compliance in certain areas puts some system objectives at risk. There is a basically sound system of internal control for other system objectives. The weaknesses identified which put some system objectives at risk relate to Income & Debtors, Procurement (Contracted Expenditure & Stores), Policy and Procedure Compliance in Maternity Services (Non-core review) and Computer based IT Controls.

Substantial assurance has been given in relation to the Board Assurance Framework and risk management arrangements at the Trust.

The system of internal control has been in place in the Shrewsbury and Telford Hospital NHS Trust for the year ended 31 March 2017 and up to the date of approval of the annual report and accounts.

5 Significant Issues

5.1 Progress on 2015/16 Significant Issues

In the 2015/16 Annual Governance Statement, the Trust disclosed six significant issues. Progress on these issues is outlined below.

5.1.1 Financial Risks Associated with the 2016/17 Financial Plan.

The Trust was set a target of delivering a deficit of £5.9 million, after allowing for the receipt £10.5 million STF Funds. Unfortunately, because of a sharp decline in their financial position, Shropshire CCG has not been able to release winter funding to the Trust to cover increased costs over this period. During March 2017 the Trust and Shropshire CCG Commissioners agreed a financial year end settlement which enabled the Trust to continue to deliver its required control total. However this position was agreed based on actual levels of activity being performed by the Trust and still did not include any specific funding for the Trust's Winter Plan. At the end of the 2016/17 Financial Year the Trust subsequently received a level of bonus Sustainability and Transformation Fund (STF) in recognition of delivering the required control total. As a result the Trust's year-end financial position for 2016/17 is a deficit of £5.631m, £269k improvement on the £5.9m control total

The Trust began the year with a recurrent deficit of £20.2 million and will take into the 2017/18 a recurrent deficit of £17.9 million, an improvement of £2.3 million.

5.1.2 Sustainable Services Plan

The Strategic Outline Case (SOC) for the acute service elements of the Future Fit Programme was approved by the Board in March 2016. The SOC, known internally as Sustainable Services describes the Trust's plans to address the significant challenges to the safety and sustainability of patient services specifically in emergency and critical care.

Following this, the Future Fit Programme Board had made a recommendation around the preferred sites; however, when the proposal was presented to the CCGs Joint Committee for approval in February 2017, the decision was put on hold, rather than being sent out for public consultation.

A document has been produced internally "Putting Patients First" which has been borne out of work undertaken by sustainable services. The document outlines SaTH's preferred option, following extensive engagement. The history of the Future Fit process is peppered with delays; which is impacting on both retention and recruitment of staff

5.1.3 External Review of Maternity

An independent Maternity Review was published on 1 April 2016 following the death of a newborn in 2009, hours after being born at Ludlow Midwife-Led Unit. The full report was discussed at a special meeting of the Trust's Board in April 2016; the report was accepted in full and the implementation of the recommendations and the subsequent actions have been tracked to conclusion through the public session of the Trust Board. At year end, 66 actions have been completed and 4 actions are outstanding.

5.1.4 Performance

The trust has not achieved the A&E performance and has consistently underperformed on both the original TDA trajectory and the revised trajectory with a projected year-end performance of 81.02%. The main reason for the inability to meet the targets is the increased activity and complexity of cases. Similarly the Trust has struggled to achieve the admitted RTT targets but have achieved the expected Non-admitted level of performance. The reasons for not achieving the expected level of admitted performance are the growth in the volume of emergency activity and the acuity of patients combined with increased length of stay amongst the medically fit for discharge (MFFD) patients has reduced elective bed capacity and as such compromised the performance in respect of admitted activity. In addition, the current year to date Fit for Transfer lost bed days (M1- 11) are 25,742 against 22,602 for the same period last year. This is a percentage increase of 14%

5.1.5 Lack of embedded Business Continuity Plans

Internal Audit issued a limited opinion report on IT controls and highlighted the lack of embedded business continuity plans across the Trust. Progress has been made on business continuity planning but remains an area of concern due to significant operational challenges.

5.1.6 Estates and Infrastructure

The Trust is facing a number of significant risks in respect of backlog maintenance of IT infrastructure, necessary medical equipment as well as building maintenance. Funding has been released to rectify some of the most serious risks. It is not however the Trust's expectation that buildings will close in the immediately foreseeable future.

5.2 2016/17 Significant Issues

5.2.1 Cash Flow

The year was difficult for cash, with significant in year pressures, however the end of year settlement with Shropshire CCG allowing for the delivery of the control total and the receipt of the additional Sustainability and Transformation Fund (STF) the cash position at the year end was stabilised.
The cash shortfall was accommodated in the short term by the slippage in delivery of the capital programme and extension of payment terms to revenue creditor suppliers. However this has resulted in a projected £5.4 million growth in capital creditors which will result in a significant level of creditors that will need to be financed in the opening months of the new financial year. As the Trust demonstrated that it is on target to achieve its control total, it has been able to secure a loan facility from the Department of Health– Uncommitted Single Currency Interim Revenue Support. However, the Trust has been informed that access to revenue financing during 2017/18 will be subject to increased challenge and scrutiny and will only be provided in exceptional circumstances.

5.2.2 Fragility of services

The Trust has a number of risks relating to the fragility of services. This is particularly difficult for emergency services including; Accident and Emergency Department (AED), ITU, Paediatrics, and Surgery & Trauma. In March 2016, the Trust Board received a paper outlining a number of options to maintain safe and effective urgent and emergency care services. This paper followed on from an earlier paper in December 2015, in which the risks and challenges being faced at that time in relation to maintaining two emergency departments at the PRH and RSH sites were described. This paper was in response to the challenge facing the Trust around the continued unavailability of medical staff to provide two 24-hour emergency departments and the associated clinical services. This risk is the greatest risk on the Trust Board Assurance Framework and the Trust Risk Register. It has also formed part of the programme of review and scrutiny by the Joint Health Overview and Scrutiny Committee for Shropshire and Telford & Wrekin. Both papers recognised the medium and long-term vision for health services continued through the NHS Future Fit Programme, which at this time were planning public consultation later in 2016, ahead of a decision on the future configuration of hospital services in spring 2017. However, the NHS Future Fit Programme has again been delayed with no date set for public consultation.

The Trust Board was advised September 2016 that an ED Consultant resignation had been received with effect from 16 December 2016. This meant that the Trust had reached its defined 'tipping point' for Emergency Department Consultant capacity as there would be insufficient senior medical staff to provide a safe service 24-hours a day in two A&E Departments. The Trust Board approved the Sustainable Services Programme draft Outline Business Case in November 2016. The Trust has developed and agreed a business continuity plan in in order to maintain adequate consultant staffing levels to sustain the safe effective functioning of two 24 hour A&E services.

6 Review of the effectiveness of risk management and internal control

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review is informed in a number of ways. The Head of Internal Audit provides me with an opinion on the overall arrangements for gaining assurance through the Assurance Framework and on the controls reviewed as part of the internal audit work. Executive managers within the organisation who have responsibility for the development and maintenance of the system of internal control provide me with assurance. The Assurance Framework itself provides me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its principal objectives have been reviewed.

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Trust Board, Audit Committee, Sustainability Committee, Workforce Committee and Quality Committee. A plan to address weaknesses and ensure continuous improvement of the system is in place.

The Trust Board is responsible for ensuring that the Trust follows the principles of sound governance and this responsibility rests unequivocally with the Board. The Board is required to produce statements of assurance that it is doing its "reasonable best" to ensure the Trust meets its objectives and protect patients, staff, the public and other stakeholders against risks of all kinds. The Trust Board is able to demonstrate:

- That they have been informed through assurances about all risks not just financial.
- That they have arrived at their conclusions on the totality of risk based on all the evidence presented to them.

The Trust's ability to handle risk is further enhanced through the Governance and Committee/Group structure. Each Committee/Group has terms of reference that clearly define their role and responsibilities with clearly stated deputies.

The Trust Board has received assurance on the effectiveness of the controls within the organisation through the following means:

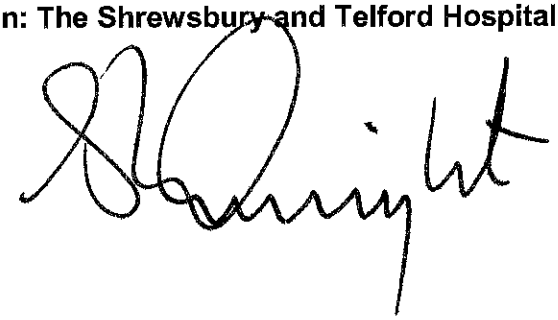
- Reports from Committees set up by the Trust Board
- Reports from Executive Directors and key managers
- External Reviews
- Board Assurance Framework.
- Internal Audit provide the Board, through the Audit Committee, and the Accounting Officer with an independent and objective opinion on risk management, control and governance and their effectiveness in achieving the organisation's agreed objectives. This opinion forms part of the framework of assurances that the Board receives. The annual Internal Audit Plan is aligned to the Trust's Assurance Framework and Risk Register.

The system of internal control has been in place at the Trust for the year ended 31 March 2017 and up to the date of approval of the Annual Report and Accounts.

Accountable Officer: Simon Wright

Organisation: The Shrewsbury and Telford Hospital NHS Trust

Signature



Date
30th May 2017

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The Shrewsbury and Telford Hospital NHS Trust

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